Global Environment Facility Trust Fund

Grant Agreement

(West Africa Coastal Areas Resilience Investment Project)

between

DEMOCRATIC REPUBLIC OF SÃO TOMÉ AND PRÍNCIPE

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

acting as an implementing agency of the Global Environment Facility

Dated April 21, 2018
GLOBAL ENVIRONMENT FACILITY TRUST
FUND GRANT AGREEMENT

AGREEMENT dated ________________, 2018, entered into between the DEMOCRATIC REPUBLIC OF SÃO TOMÉ AND PRÍNCIPE ("Recipient") and the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("World Bank"), acting as an implementing agency of the Global Environment Facility Trust Fund ("GEF Trust Fund").

WHEREAS (A) the International Development Association ("Association"), in response to the request of certain Western Africa countries for solutions and financing to help save the social and economic assets of their coastal areas, has developed the West Africa Coastal Areas Program (the "Program"), which aims to help those countries access expertise and finance to sustainably manage their coastal areas and to strengthen regional integration of countries by working with related regional institutions and agreements, thereby strengthening the resilience of coastal communities and economic assets in Western Africa countries along the coastline between the Islamic Republic of Mauritania and the Republic of Gabon;

(B) the Recipient, having satisfied itself as to the feasibility and priority of the project ("Project", as described in Schedule 1 hereto) under the Program, has requested the World Bank to assist in the financing of Parts 2 (i) and (ii), 3 and 4 of the Project;

(C) by a financing agreement of even date herewith between the Recipient and the Association ("Participating Country Financing Agreement", as further defined in the Appendix to this Agreement), the Association will extend to the Recipient a grant in an amount equivalent to five million five hundred thousand Special Drawing Rights (SDR 5,500,000) to assist the Recipient in financing part of the cost of Parts 2, 3 and 4 of the Project on the terms and conditions set forth in the Participating Country Financing Agreement; and

(D) by a financing agreement to be entered into between the Association and the West Africa Economic and Monetary Union ("WAEMU Financing Agreement"), the Association will extend to WAEMU a grant in an amount equivalent to eight million three hundred thousand Special Drawing Rights (SDR 8,300,000) to assist WAEMU in financing part of the cost of activities related to Part 1 of the Project on the terms and conditions set forth in the WAEMU Financing Agreement;

WHEREAS the World Bank has also agreed, on the basis, inter alia, of the foregoing, to extend the GEF Trust Fund grant provided for in Article III of this Agreement to the Recipient upon the terms and conditions set forth in this Agreement;
NOW THEREFORE the Recipient and the World Bank hereby agree as follows:

**Article I**

**Standard Conditions; Definitions**

1.01. The Standard Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.

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

**Article II**

**The Project**

2.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out Parts 2 (i) and (ii), 3 and 4 of the Project through the Ministry of Infrastructure, Natural Resources and the Environment in accordance with the provisions of Article II of the Standard Conditions.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank shall otherwise agree, the Recipient shall ensure that Parts 2 (i) and (ii), 3 and 4 of the Project are 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 not exceeding one million one hundred forty-six thousand seven hundred eighty-nine United States dollars ($1,146,789) ("Grant") to assist in financing Parts 2 (i) and (ii), 3 and 4 of the Project.

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

3.03. The Grant is funded out of the GEF Trust Fund for which the World Bank receives periodic contributions from the donors to the GEF Trust Fund. In accordance with Section 3.02 of the Standard Conditions, the World Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donors under the GEF 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 Events of Suspension referred to in Section 4.02 (k) of the Standard Conditions consist of the following:

(a) The Participating Country Financing Agreement shall have failed to become effective by June 30, 2018.

(b) The Association has suspended in whole or in part the right of the Recipient to make withdrawals under the Participating Country Financing Agreement.

Article V
Effectiveness; Termination

5.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the following condition has been satisfied, namely, that all conditions precedent to the effectiveness of the Participating Country Financing Agreement have been fulfilled.

5.02. Except as the World Bank and the Recipient shall otherwise agree, this Agreement 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 Section until such event (or events) has (or have) ceased to exist.

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

Article VI
Recipient's Representative; Addresses

6.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is the Minister of Finance, Commerce and Blue Economy.
6.02. The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Finance, Commerce and Blue Economy
Largo das Alfandegas, Caixa Postal 168
São Tomé
República Democrática de São Tomé e Príncipe

Facsimile:
(239)-2221182

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

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

Telex: 248423 (MCI) or 64145 (MCI)
Facsimile: (1) 202 477 6391
AGREED at Washington, DC, as of the day and year first above written.

DEMOCRATIC REPUBLIC OF SÃO TOMÉ AND PRÍNCIPE

By:

Authorized Representative
Name: Americo d'Oliveira dos Ramos
Title: Minister of Finance, Commerce & Blue Economy

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

By:

Authorized Representative
Name: Elisabeth Huybens
Title: Country Director
SCHEDULE 1

Project Description

The objective of the Project is to strengthen the resilience of targeted communities and areas in coastal Western Africa.

The Project constitutes part of the Program and consists of the following parts:

Part 1: Strengthening Regional Integration

Part 1.1: Strategy and Financial Solutions

Establishment by WAEMU of the Regional Steering Committee with a view to reinforcing its coordination and integration capabilities in the regional sector and assist it in identifying, developing and mainstreaming new financing options for coastal resilience into development finance and regional dialogue and in developing a communication plan, and encompassing the financing of Operating Costs for the recruitment of technical expert for country relationships and the provision of consulting services and equipment.

Part 1.2: Regional Coastal Zone Agreements and Protocols

Reinforcement and advancement by the IUCN of regional integration on integrated coastal zone management among the member states parties to the Abidjan Convention and other regional coastal and marine agreements of relevance, and encompassing the provision of consulting services and equipment as required: (i) to advance the implementation of the Abidjan Convention, of its Additional Protocols and, as the case may be, other regional agreements of relevance; (ii) to review the institutional and regulatory frameworks of the Participating Countries in view of harmonizing their national coastal and marine laws; (iii) to design a monitoring and tracking system on the progress made on the ratification and implementation of the Additional Protocols; and (iv) to organize engagement and regional meetings to underpin the provisions of the Abidjan Convention, of its Additional Protocols and of other regional agreements.

Part 1.3: Regional Coastal Observation

Operationalization by the IUCN of the West African Coastal Observatory, through the provision of consulting services and equipment as required for the IUCN: (i) to develop and establish collaboration protocols setting forth the terms for data collection, the sharing of information, and the carrying out of analyses useful to the governance and coastal zone management in West Africa; (ii) to develop a framework for national and regional coastal observation indicators to generate the annual “State of the Western Africa Coast” report; (iii) to validate regional coastal areas information sharing platforms and monitoring systems; and (iv) to develop knowledge products including synthesis publications and products and services to improve communication with various stakeholders.
Part 1.4: Regional Implementation Support

Operationalization by the IUCN of a holistic and capacity-building RISU for the for the regional aspects of Project management, including its fiduciary aspects, monitoring (including of safeguard mitigation measures) and evaluation, knowledge generation and management, communication, as well as for critical cross-cutting institutional support in the Participating Countries, and encompassing the provision of equipment, consulting services, training and the financing of Operating Costs as required to RISU in: (i) assisting new countries join the Program; (ii) support the Regional Steering Committee on organizational matters, including with the preparation of the material needed for strategic decision-making at regional level; (iii) strengthening the capacities of WAEMU to efficiently perform core Project management functions, including operational planning, financial management, procurement arrangements, and environmental and social safeguards policies; (iv) enhancing its monitoring and evaluation systems, including routine health management and information systems and other data sources; (v) managing the operational research program implemented by its national and regional institutions; (vi) designing and implementing impact evaluation studies to measure impact of Project interventions; and (vii) coordinating the roles of the existing Western Africa national and regional institutions to better support the planned Project activities.

Part 2: Strengthening the Policy and Institutional Framework

Development by the Recipient of the adequate policy framework and the necessary tools for the articulation and/or operationalization of its coastal management strategies and plans, respecting national and regional positive and negative externalities, through provision of consulting services required to develop and operationalize coastal management and land use strategies and action plans at the central and local levels and promote effective management of transboundary coastal ecosystems and spatial planning, and encompassing: (i) the review of the existing coastal-related laws and regulations of the Recipient and the elaboration of recommendations to harmonize them and fill any existing gaps; (ii) the development of guidelines for environmental and social impact assessments for coastal planning and infrastructure and for regional and strategic assessments, the development of contingency plans for events with transboundary impacts, and the identification and designation of protected areas in the Recipient's territory; (iii) the development of the Recipient's blue economy broadly, through review of strategies for extractive industries, energy, fisheries and marine biodiversity, maritime transport, tourism, climate change, and waste management; (iv) the establishment of public-private partnerships to help mobilizing additional resources to finance the integrated coastal management agenda; (v) the development and support of the implementation of preparedness, response and management strategies associated with coastal erosion, inundation, and pollution aimed to improve the interaction of the Recipient's national hydrological and meteorological agencies with its disaster management structures; (vi) the establishment and strengthening of the Recipient's national coastal observatories; and (vii) the establishment and strengthening of the Recipient's safety-at-sea national systems, including through the provision of equipment as required therefor.
Part 3: Strengthening National Physical and Social Investments

Part 3.1: Physical Investments

Carrying out by the Recipient of Subprojects, their complementary technical studies, and development of the related environmental and social impact assessments, including management plans, as required to underpin innovative approaches aiming at increasing climate resilience in key coastal areas, and encompassing the provision of works, goods, non-consulting and consulting services, and equipment as required therefor.

Part 3.2: Social Subprojects

Carrying out by the Recipient of Social Subprojects, participatory risk assessments to enhance community resilience, health, safety and livelihoods, awareness raising activities on perceived imminent climate change risks, a participatory process for relocation planning and decision-making, socio-economic monitoring for the implementation of decisions on any such relocation and to assist, as the case may be, with future planned relocations, all through the provision of works, goods, non-consulting services, consulting services, workshops, training and equipment as required therefor.

Part 4: National Coordination

Strengthening by the Recipient of the PIU to ensure day-to-day Project management and that the Project is implemented with coordinated support from technical and financial partners and thereby address the most pressing needs for management of the coastal zone, through the delivery of national workshops and the carrying out of meetings and priority communication activities, and entailing the provision of consulting services, goods, and the financing of Operating Costs.
SCHEDULE 2

Execution of Parts 2 (i) and (ii), 3 and 4 of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements and Implementation Modalities

1. National Level

(a) MINRE

At the national level, the Recipient shall ensure the Ministry of Infrastructure, Natural Resources and the Environment leads the implementation of Parts 2 (i) and (ii), 3 and 4 of the Project and carry out the overall coordination of the Project.

(b) National Steering Committee

The Recipient shall, through the Ministry of Infrastructure, Natural Resources and the Environment, establish, under terms of reference and with qualified and experienced members in adequate number, all satisfactory to the World Bank, and thereafter maintain throughout Project implementation, the National Steering Committee vested with responsibility for making decisions on the overall direction of the Program and for oversight of the Project Implementation Unit during Project implementation. The National Steering Committee shall be chaired by the Minister of the MINRE or his/her representative and its composition shall include, inter alia, the relevant government officials and stakeholder representatives of the Recipient. The National Project Coordinator shall serve as the NSC’s secretary. The National Steering Committee shall meet at least twice each Fiscal Year to undertake, inter alia: (i) the review and approval of the draft AWP&B; and (ii) the assessment of Project progress against the current AWP&B and the approval of the semi-annual Project Reports. The designated person by the Minister of Infrastructure, Natural Resources and the Environment and/or the National Project Coordinator shall be jointly responsible for providing summaries of implementation progress and results from the monitoring and evaluation activities under the Project to the National Steering Committee at each meeting, with the NSC making the decisions on any necessary adjustments to Project implementation resulting therefrom.

(c) Project Implementation Unit

The Recipient shall, through the Ministry of Infrastructure, Natural Resources and the Environment, establish, and thereafter maintain, within its structure, throughout Project implementation, the Project Implementation Unit headed by the National Project Coordinator to be appointed by the Minister of Infrastructure,
Natural Resources and the Environment and comprising a technical team with expertise on all relevant disciplines, all satisfactory to the World Bank and under terms of reference and with resources adequate for its mandate. To that end, the Recipient shall, not later than three (3) months after Effective Date, appoint, recruit or designate to the PIU to assist the National Project Coordinator: (i) an institutional development specialist; (ii) a communication specialist; (iii) a monitoring and evaluation specialist; (iv) an environmental and safeguards specialist; (v) a social development, safeguards, and gender specialist; and (vi) a procurement specialist, all in a manner satisfactory to the World Bank. The PIU shall be responsible for: (i) day-to-day coordination of the Project at the national level, fiduciary responsibilities under the Project (except for the procurement and financial management functions which shall be undertaken by the centralized fiduciary unit of AFAP) and liaising at the regional level with the RISU and the other regional entities involved in Project activities; (ii) provision of support to counterpart institutions in the implementation of Project activities; (iii) the management of procurement for national Project activities; (iv) the assessment of the impacts under the Project; and (v) the preparation and consolidation of the AWP&Bs and reports from all contracted parties at the local level with a view to submit consolidated documents to the NSC.

(d) Technical Committee

The Recipient shall, through the Ministry of Infrastructure, Natural Resources and the Environment, not later than three (3) months after the Effective Date, establish, under terms of reference satisfactory to the World Bank, and thereafter maintain throughout Project implementation, a Technical Committee comprising the representatives of the sectors and entities concerned with coastal management and involved in Project implementation to ensure smooth technical coordination among them.

2. Regional Level: Undertakings for Part 1 of the Project

The Recipient hereby agrees to, and authorizes, that WAEMU carry out, and cause IUCN to carry out, Part 1 of the Project in its territory. For such purposes, the Recipient shall:

(a) cooperate with WAEMU and IUCN to ensure Part 1 of the Project is carried out promptly and effectively and, for this purpose, shall issue the required administrative acts and appropriate instructions to its officials, agents and representatives;

(b) make arrangements for the consultants assigned to Part 1 of the Project (other than nationals or permanent residents of São Tomé and Príncipe) promptly to be provided with any necessary entry and exit visas, work permits, exchange documents and travel documents required for their
entry and stay in the Recipient’s territory during the implementation of Part 1 of the Project;

(c) facilitate clearance through customs of any equipment, materials and supplies required for Part 1 of the Project and any personal effects of the consultants and/or contractors assigned to Part 1 of the Project (other than nationals or permanent residents of São Tomé and Príncipe);

(d) permit the consultants and/or contractors to bring into, and withdraw from, its territory reasonable amounts of foreign currency for purposes related to Part 1 of the Project and for their personal use; and

(e) exempt the consultants and/or suppliers (or shall pay on behalf of the consultants or suppliers) from any taxes, duties, fees, levies and other impositions imposed on the consultants or suppliers under the laws and regulations in effect in its territory in respect of any payments whatsoever made to the consultants or suppliers in connection with: (i) Part 1 of the Project; (ii) any equipment, materials and supplies brought into its territory by the consultants for the purpose of carrying out Part 1 of the Project and which, after having been brought into such territory, will be subsequently withdrawn; (iii) any equipment, material and supplies brought into its territory by the consultants and/or contractors for the purpose of carrying out Part 1 of the Project and which will be consumed therein or will become the property of the Recipient; and (iv) any property brought into its territory by the consultants and/or contractors (other than nationals or permanent residents of São Tomé and Príncipe) for their personal use and which will be consumed therein or subsequently withdrawn therefrom by them upon their departure.

B. Subprojects and Social Subprojects

1. Subprojects

The Recipient shall, through the PIU, carry out, or cause the Subprojects to be carried out under Part 3.1 of the Project, as such Subprojects shall be: (i) identified on the basis of a Coastal Management Plan and in accordance with the provisions and criteria set forth in the PIM; and (ii) selected and included in the AWP&B to be submitted for the approval of the National Steering Committee.

2. Social Subprojects and Social Subproject Agreements

(a) In order to foster a demand-driven implementation of Part 3.2 of the Project, Social Subprojects shall be: (i) identified in accordance with the provisions and criteria set forth in the PIM; and (ii) selected and proposed for consideration by a Beneficiary on the basis of a participatory
consultative process led by the PIU and included in the AWP&B to be submitted for the approval of the National Steering Committee.

(b) The Recipient, through the MINRE, shall cause the PIU to conclude in a timely manner and under terms and conditions satisfactory to the World Bank, Social Subproject Agreements with Beneficiaries to facilitate the carrying out of Part 3.2 of the Project and whereby the PIU shall make a portion of the proceeds of the Grant available to the Beneficiary in an efficient and timely manner and under a suitable legal, regulatory and administrative framework to ensure the Grant is used for the intended purposes. To that end, for each Social Subproject proposed for financing under the Grant, the PIU shall conclude a Social Subproject Agreement with a Beneficiary whereby the PIU shall:

(i) transfer a portion of the proceeds of the Grant allocated from time to time to Category (1)(b) to the Beneficiary, on a non-reimbursable basis, for the purposes of carrying out a Social Subproject;

(ii) require the Beneficiary: (A) to carry out the Social Subproject with due diligence and efficiency and in accordance with sound technical, coastal management, economic, financial, managerial, environmental and social standards and practices satisfactory to the World Bank, including in accordance with the provisions of the ESMF, the ESIA (including the ESMP), the RPF and/or the RAP, as the case may be, the Project Implementation Manual, and the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the World Bank; and (B) to provide, promptly as needed, the resources required for the purpose; and

(iii) obtain rights and specify the Beneficiary's obligations adequate to protect the interests of the Recipient and those of the World Bank, including: (A) the right to suspend or terminate the right of the Beneficiary to use the proceeds of the Grant or to obtain a refund of all or any part of the amount of the Grant then withdrawn, upon the Beneficiary's failure to perform any of its obligations under the Social Subproject Agreement; (B) if applicable, the Beneficiary's obligation to maintain policies and/or procedures adequate to enable it to monitor and evaluate in accordance with the Monitoring and Evaluation Indicators, the progress of Part 3.2 of the Project and the achievement of its objective; (C) the Beneficiary’s obligation: (aa) if applicable, to maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the World Bank, both in a manner adequate to reflect...
the operations, resources and expenditures related to the Social Subproject; and (bb) if applicable and at the Recipient’s or the World Bank’s request, to have such financial statements audited by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank, and promptly furnish the statements as so audited to the Recipient and the World Bank; (D) the right to enable the Recipient and the World Bank to inspect the Social Subproject, its operation and any relevant records and documents; and (E) the Beneficiary’s obligation to prepare and furnish to the Recipient and the World Bank all such information as the Recipient or the World Bank shall reasonably request relating to the foregoing.

(c) The Recipient shall ensure the PIU exercise its rights and carry out its obligations under the Social Subproject Agreements in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, the Recipient shall ensure the PIU does not assign, amend, abrogate or waive the Social Subproject Agreements or any of their provisions. Notwithstanding the foregoing, if any of the provisions of a Social Subproject Agreement is inconsistent with the provisions of this Agreement or the Project Implementation Manual, the provisions of this Agreement and those of the Project Implementation Manual shall prevail and govern.

C. Safeguards

The Recipient, through the PIU, shall take all action necessary on its behalf:

(a) (i) to comply with the ESMF and to carry out the ESIA (including the ESMP) with due diligence and efficiency; (ii) to ensure that the relevant mitigation and monitoring provisions of the ESIA (including the ESMP) are appropriately included in the works, goods, services and training contracts to be concluded under Parts 2 and 3 of the Project and under the Subprojects and Social Subprojects and that they are implemented in the carrying out of said Parts 2 and 3 of the Project, the Subprojects and Social Subprojects; and (iii) to maintain the Recipient and the World Bank suitably informed of the progress in the implementation of the ESIA (including the ESMP) through the information to be prepared and furnished to the Recipient pursuant to the provisions of Section II.A of this Schedule;

(b) (i) to comply with the RPF and to carry out the RAP(s) with due diligence and efficiency and at all times provide the funds necessary therefor; (ii) to
adequately monitor and evaluate the carrying out of the activities provided in the RAP(s) in the carrying out of the Subprojects and Social Subprojects; and (iii) to maintain the Recipient and the World Bank suitably informed of the progress in the implementation of the RAP(s) through the information to be prepared and furnished to the Recipient pursuant to the provisions of Section II.A of this Schedule; and

(c) to ensure that no works are commenced under Part 3 of the Project, until and unless: (i) the Recipient shall have verified, through its own staff, outside experts, or existing environmental/social institutions, that the Subproject and Social Subproject, as the case may be, meets the coastal, environmental, social and safety requirements, if applicable, of appropriate national and local authorities and that it complies with the review procedures set forth in the ESMF and/or RPF, as the case may be, and the provisions of the Project Implementation Manual; and (ii) if required, the Recipient shall have prepared and adopted the ESIA (including the ESMP) and/or the RAP, as the case may be, and the same documents have been consulted upon and disclosed in-country and in the World Bank's website as approved by the World Bank.

D. Training

For the purposes of the capacity building training to be provided under Parts 2 (i) and (ii), 3 and 4 of the Project and to be delivered through courses, study tours, workshops and conferences, the Recipient shall:

(a) furnish to the World Bank for its approval, not later than November 30 of each calendar year, a training program developed on the basis of a comprehensive needs assessment and including an explanation of how such training is consistent and conducive to the objectives of the Project and whether it offers the best price/quality ratio, as well as the schedule for its implementation;

(b) select the trainees in accordance with a transparent process and criteria satisfactory to the World Bank; and

(c) furnish to the World Bank a report of such scope and detail as the World Bank shall reasonably request, on the results of each training and the benefits to be derived therefrom.

E. Project Implementation Manual

The Recipient shall: (i) take all action required to carry out Parts 2 (i) and (ii), 3 and 4 of the Project in accordance with the provisions and requirements set forth or referred to in the Project Implementation Manual; (ii) submit recommendations to the World Bank for
its consideration for changes and updates of the Project Implementation Manual as they may become necessary or advisable during Project implementation in order to achieve the objectives of Parts 2 (i) and (ii), 3 and 4 of the Project; and (iii) not assign, amend, abrogate or waive the Project Implementation Manual or any of its provisions without the World Bank’s prior agreement. Notwithstanding the foregoing, if any of the provisions of the Project Implementation Manual is inconsistent with the provisions of this Agreement, the provisions of this Agreement shall prevail and govern.

F. **Annual Work Plans and Budgets**

1. The Recipient shall prepare, under terms of reference satisfactory to the World Bank, and furnish to the World Bank, not later than November 30 in each calendar year, for the World Bank’s consideration, an AWP&B setting forth the activities to be included under Parts 2 (i) and (ii), 3 and 4 of the Project for the following calendar year, such AWP&B to include an implementation schedule and budget and financing plan therefor.

2. The Recipient shall afford the World Bank a reasonable opportunity to review and exchange views with the Recipient on such proposed AWP&B and, thereafter, shall implement the AWP&B with due diligence and efficiency as shall have been approved by the World Bank and the National Steering Committee.

G. **Financial Management Undertakings**

The Recipient shall, through the Ministry of Finance, Commerce and Blue Economy, ensure that the AFAP recruit, not later than four (4) months after the Effective Date, an external auditor, under terms of reference and with qualifications and experience satisfactory to the World Bank, to oversee the accounting functions of the PIU.

H. **Anti-Corruption**

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

I. **Donor(s) Visibility and Visit**

1. The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the donor(s) support for Parts 2 (i) and (ii), 3 and 4 of the Project.

2. For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank’s request, enable the representatives of the donor(s) to visit any part of the Recipient’s territory for purposes related to Parts 2 (i) and (ii), 3 and 4 of the Project.
Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. The Recipient shall monitor and evaluate the progress of Parts 2 (i) and (ii), 3 and 4 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 Monitoring and Evaluation Indicators. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the World Bank not later than one (1) month after the end of the period covered by such report.

2. The Recipient shall prepare the Completion Report for Parts 2 (i) and (ii), 3 and 4 of the Project 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 four (4) months after the Closing Date.

B. Mid-Term Review

The Recipient shall:

(a) maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with the Monitoring and Evaluation Indicators, the carrying out of Parts 2 (i) and (ii), 3 and 4 of the Project and the achievement of the objective thereof;

(b) prepare, under terms of reference satisfactory to the World Bank, and furnish to the World Bank, on or about November 15, 2021, a report integrating the results of the monitoring and evaluation activities and setting out the measures recommended to ensure the efficient carrying out of Parts 2 (i) and (ii), 3 and 4 of Project and the achievement of the objective thereof during the period following such date; and

(c) review with the World Bank, on or about January 15, 2022, or such later date as the World Bank shall request, the report referred to in the preceding paragraph (b), and, thereafter, take all measures required to ensure the efficient completion of Parts 2 (i) and (ii), 3 and 4 of the Project and the achievement of the objective thereof, based on the conclusions and recommendations of the said report and the World Bank's views on the matter.

C. Grievance Mechanism

The Recipient shall take all action required on its behalf to establish, not later than six (6) months after the Effective Date, and thereafter maintain and operate, a functional grievance handling mechanism for Parts 2 (i) and (ii), 3 and 4 of the Project, with adequate staffing
and processes for registering grievances and acceptable to the World Bank, thereby ensuring the ongoing improvement on service delivery under the Project.

D. **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 unaudited financial reports for Parts 2 (i) and (ii), 3 and 4 of the Project are prepared and furnished to the World Bank as part of the Project Report not later than one (1) month after the end of each semester, covering the semester, in form and substance satisfactory to the World Bank.

3. The Recipient shall have its Financial Statements for Parts 2 (i) and (ii), 3 and 4 of 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**

All goods, works, non-consulting services and consulting services required for Parts 2 (i) and (ii), 3 and 4 of 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 the Procurement Regulations and the provisions of the Recipient’s procurement plan for the Project (“Procurement Plan”) dated January 12, 2018, provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with 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: (i) Article III of the Standard Conditions; (ii) this Section; and (iii) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Investment Project Financing” dated February 2017, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the

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amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consulting services, training, workshops and Operating Costs under:</td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>(a) Parts 2 (i) and (ii), 3.1 and 4 of the Project</td>
<td>926,789</td>
<td></td>
</tr>
<tr>
<td>(b) Part 3.2 of the Project</td>
<td>220,000</td>
<td></td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>$1,146,789</td>
<td></td>
</tr>
</tbody>
</table>

3. For the purposes of this table:

   (a) the term “training” means expenditures incurred by the Recipient to finance the cost under Parts 2 (i) and (ii), 3 and 4 of the Project of: (i) the training received or provided in-country or abroad, including its fees and the pedagogical materials; and (ii) the travel, accommodations, per diem and insurance for the training received or provided outside the Recipient’s territory as well as study tours inside the Recipient’s territory or abroad; and

   (b) the term “workshop” means expenditures incurred by the Recipient to finance the cost under Parts 2 (i) and (ii), 3 and 4 of the Project of: (i) workshops organized in-country, including fees, meeting rooms, and equipment rental and materials; and (ii) the travel, accommodations, per diem, loss of revenue compensation and insurance for the participants to the workshops organized in-country.

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made:

   (a) for payments made prior to the date of this Agreement; or
(b) to finance expenditures for cash payments for compensation or other cash payments for assistance due to a Displaced Person or for the cost of land acquisition related to the activities to be carried out under the Project.

2. The Closing Date referred to in Section 3.06(c) of the Standard Conditions is October 31, 2023.
APPENDIX

1. “Abidjan Convention” and “ABC” means, each, the “Convention for Co-operation in the Protection and Development of the Marine and Coastal environment of the West and Central African Region”, whose mandate is to create a common approach and policy for coastal zone management and which sets forth an overarching legal framework for all marine-related programmes in West, Central and Southern Africa for the Recipient, the Republic of Angola, Benin, the Republic of Cameroon, the Republic of Cape Verde, the Republic of Congo, Côte d’Ivoire, the Democratic Republic of Congo, the Republic of Equatorial Guinea, the Republic of Gabon, Gambia, the Republic of Ghana, the Republic of Guinea, the Republic of Guinea-Bissau, the Republic of Liberia, Mauritania, the Republic of Namibia, the Federal Republic of Nigeria, Senegal, the Republic of Sierra Leone and Togo.

2. “Additional Protocols” means, individually and indistinctively, the “Protocol Concerning Cooperation in Combating Pollution in Cases of Emergency in the Western and Central Africa Region”, entered into force on August 5, 1984, and the “Additional Protocol to the Abidjan Convention Concerning Cooperation in the Protection and Development of Marine and Coastal Environment from Land-Based Sources and Activities in the Western, Central and Southern African Region”, concluded on June 22, 2012, both signed among the member countries party to the Abidjan Convention; and “Additional Protocol” means individually each and any of the Additional Protocols.

3. “AFAP” means the Agencia Fiduciária de Administração de Projectos, within the Recipient’s Ministry of Finance, Commerce and Blue Economy, or any successor thereto acceptable to the World Bank.


5. “Beneficiary” means a local municipality or commune (the Recipient’s smallest territorial division for administrative purposes), a local group, an association, a non-governmental organization or another entity selected in accordance with the provisions of the Project Implementation Manual (as hereinafter defined) for the purposes of preparing and carrying out a Social Subproject (as hereinafter defined) under Part 3.2 of the Project; and the term “Beneficiaries” means more than one Beneficiary, collectively and indistinctively.

6. “Category” means a category set forth in the table in paragraph 2 of Section IV.A of Schedule 2 to this Agreement.
7. “Centre de Suivi Ecologique” and “CSE” means, each, the Ecological Monitoring Center located in Dakar, Senegal, a public utility association whose core activities include environmental monitoring, natural resources management and conducting environmental impact assessments.

8. “Coastal Management Plan” means the Recipient’s Multi-Sectoral Investment Plan and/or an integrated coastal zone management plan developed by the Recipient on the basis of economic, political, technical and multi-hazard risk analysis and a participatory approach, listing priority actions for mitigating climate change impacts on the coast while also addressing sound and sustainable coastal zone management.

9. “Displaced Person” means a person who as a result of: (i) the involuntary taking of land under the Project is affected in any of the following ways: (A) relocation or loss of shelter; (B) loss of assets or access to assets; or (C) loss of income sources or means of livelihood, whether or not the affected person must move to another location; or (ii) the involuntary restriction of access to legally designated parks and protected areas suffers adverse impacts on his or her livelihood; or (iii) the implementation of the planned relocation activities developed under Part 3.2 of the Project, relocates under Part 3.1 of the Project.

10. “Environmental and Social Impact Assessment” or “ESIA” means, each, a site-specific report, to be prepared by the Recipient in accordance with the parameters laid down in the ESMF (as hereinafter defined) and acceptable to the World Bank, identifying and assessing the potential environmental and social impacts of the activities to be undertaken under the Project, evaluating alternatives, and designing appropriate mitigation, management, and monitoring measures.

11. “Environmental and Social Management Framework” or “ESMF” means, each, the environmental and social management framework adopted by the Recipient and disclosed in-country and in the World Bank’s website on November 15, 2017, which: (i) sets forth the standards, methods and procedures specifying how activities under the Project whose location, number and scale are presently unknown shall systematically address environmental and social issues in the screening and categorization, siting, design, implementation and monitoring phases during Project implementation; (ii) systematizes the environmental and social impact assessments, be they limited impact assessments or full impact assessments, required for such activities before Project execution; and (iii) stipulates the procedures to be used for the preparation and approval of a site-specific Environmental and Social Impact Assessment and a site-specific Environmental and Social Management Plan (as hereinafter defined) for any site where there exists environmental and social issues of a type and scale sufficient to trigger safeguard concerns.
12. "Environmental and Social Management Plan" or "ESMP" means, each, a site-specific environmental and social management plan to be prepared by the Recipient in accordance with the parameters laid down in the ESMF and acceptable to the World Bank, setting forth a set of mitigation, monitoring, and institutional measures to be taken during the implementation and operation of the activities under the Project to eliminate adverse environmental and social impacts, offset them, or reduce them to acceptable levels, and including the actions needed to implement these measures.

13. "Fiscal Year" means the twelve (12) month period corresponding to any of the Recipient's fiscal years, which period commences on January 1 and ends on December 31 in each calendar year.

14. "International Union for Conservation of Nature and Natural Resources" or "IUCN" means the International Union for Conservation of Nature and Natural Resources, an international association of governmental and non-governmental organizations created in 1948 and operating under the Regulations adopted in Montreal in 1996 (amended to the date of this Agreement) which aims to provide public, private and non-governmental organizations with knowledge and tools to enable human progress, economic development and nature conservation to take place together.

15. "Ministry of Infrastructure, Natural Resources and the Environment" or "MINRE" means, each, the Recipient's Ministério da Infra-estrutura, Recursos Naturais e Ambiente, or any successor thereto.

16. "Monitoring and Evaluation Indicators" means the agreed monitoring and evaluation indicators set forth in the Monitoring and Evaluation Manual (as hereinafter defined) to be utilized by the Recipient to measure the progress in the implementation of Parts 2 (i) and (ii), 3 and 4 of the Project and the degree to which the objective thereof is being achieved.

17. "Monitoring and Evaluation Manual" and "MEM" means, each, the manual to be adopted by the Recipient setting forth the Monitoring and Evaluation Indicators, as the same may be amended from time to time with the agreement of the World Bank.

18. "National Project Coordinator" means the coordinator to be appointed by the Recipient to head the PIU (as hereinafter defined) pursuant to the provisions of Section 5.01 (b) of the Participating Country Financing Agreement.

19. "National Steering Committee" or "NSC" means, each, the governance body to be established by the Recipient pursuant to the provisions of paragraph (b) of Section I.A.1 of Schedule 2 to this Agreement.
20. "Operating Costs" means incremental recurrent expenditures incurred by the Recipient on account of implementation of Parts 2 (i) and (ii), 3 and 4 of the Project, and which consist of the costs of dissemination of Project related information, travel, lodging and per diem for field trips, vehicle rent, supplies and utilities, salaries of contractual staff and of civil servants of the Recipient on unpaid leave who have been hired in accordance with the Procurement Regulations, mail, advertisement, translation, commercial bank charges, insurance, communication, office equipment and maintenance, hardware and software, and rent of premises, and which Operating Costs are hereby deemed an Eligible Expenditure for purposes of Section 3.06 of the Standard Conditions.

21. "Participating Countries" means, collectively and indistinctively, the Participating Countries, being the Recipient, Benin, Côte d'Ivoire, Mauritania, Senegal and Togo, and "Participating Country" means individually each and any of the Participating Countries.


23. "Project Implementation Manual" or "PIM" means, each, the manual to be adopted by the Recipient for the purposes of defining the detailed implementation arrangements for the Project, and including: (i) the operational manual describing the Project activities and implementation arrangements; (ii) the procurement manual; (iii) the financial management manual; (iv) the monitoring and evaluation manual; and (v) the grievance handling mechanism manual, as the same may be amended from time to time with the agreement of the World Bank.

24. "Project Implementation Unit" or "PIU" means, each, the unit within the MINRE vested with the responsibility for Project implementation pursuant to the provisions of paragraph (c) of Section I.A.1 of Schedule 2 to this Agreement.

25. "Regional Steering Committee" and "RSC" means, each, the guidance body to be established by WAEMU within its structure pursuant to the provisions of Section I.A.2 of Schedule 2 to the WAEMU Financing Agreement.

26. "Resettlement" means: (i) the involuntary (i.e., an action that may be taken without a person's informed consent or power of choice) taking of land, including anything growing on or permanently affixed to such land, such as buildings and crops, resulting in: (A) relocation or loss of shelter; (B) loss of assets or access to assets; or (C) loss of income sources or means of livelihood, whether or not the affected persons must move to another location; or (ii) the involuntary restriction of access to legally designated parks and protected areas resulting in adverse impacts on the livelihoods of the affected persons, and encompassing restrictions on the use of resources imposed on people living outside a park or protected area, or on those...
who continue living inside the park or protected area during and after Project implementation; or (iii) the relocation carried out under Part 3.1 of the Project as a result of the implementation of the planned relocation activities developed under Part 3.2 of the Project.

27. “Resettlement Action Plan” or “RAP” means a site-specific resettlement and rehabilitation action plan to be prepared in accordance with the parameters laid down in the RPF (as hereinafter defined), acceptable to the World Bank, and to be developed by the Recipient for the Displaced Persons located permanently or temporarily in a Project area which involves Resettlement, and covering the following: (i) a baseline census and socioeconomic survey information; specific compensation rates and standards; policy entitlements related to any additional impacts identified through the census or survey; description of Resettlement sites and programs for improvement or restoration of livelihoods and standards of living; an implementation schedule for Resettlement activities; and detailed cost estimate; (ii) measures designed to ensure that the Displaced Persons: (A) are informed about their options and rights pertaining to Resettlement, consulted on, offered choices among, and provided with technically and economically feasible Resettlement alternatives; and (B) provided prompt and effective compensation at full replacement cost for losses of assets attributable directly to the Project; (iii) if the impacts include physical relocation, that the displaced persons are: (A) provided assistance (such as moving allowances) during relocation; (B) provided with residential housing, or housing sites, or, as required, agricultural sites for which a combination of productive potential, locational advantages, and other factors is at least equivalent to the advantages of the old site; and (C) offered support after displacement, for a transition period, based on a reasonable estimate of the time likely to be needed to restore their livelihood and standards of living; (iv) affordable and accessible grievance procedures, taking into account the availability of judicial recourse and community and traditional dispute settlement mechanisms; and (v) provided with development assistance in addition to compensation measures, such as land preparation, credit facilities, training, or job opportunities.

28. “Resettlement Policy Framework” or “RPF” means the resettlement policy framework adopted by the Recipient and disclosed in-country and in the World Bank’s website on December 5, 2017, setting forth, inter alia, a description of the Project and components for which land acquisition and Resettlement are required, the principles and objectives governing Resettlement preparation and implementation, and a description of the process for preparing and approving a site-specific Resettlement Action Plan.

29. “Regional Implementation Support Unit” or “RISU” means, each, the unit to be established by the IUCN at the regional level to assist the Participating Countries in implementing their activities related to the Project and to coordinate them with the regional activities to be carried out by WAEMU and facilitate access to the
remaining countries in the West Africa region to join the Project based on the fulfillment of the readiness criteria.

30. “Social Subproject” means a specific development project which is inclusive of women and other marginalized groups selected in accordance with the provisions of the Project Implementation Manual and proposed to be carried out by a Beneficiary under Part 3.2 of the Project, in part through the utilization of the proceeds of the Grant, and which consists of: (i) investments for community development solutions such as climate resilient community development, small works (such as rehabilitation of small public infrastructures damaged by floods or erosion, cleaning of natural canals, cleaning and improvement of the performance of drainage canals, and de-silting and reforestation of vulnerable areas prone to river and/or oceans flooding) and land and water management practices in watersheds and areas of high ecosystem value; and (ii) income generating activities and business development preparedness activities for climate and disaster risk reduction and diversification of livelihoods.

31. “Social Subproject Agreement” means an agreement to be concluded between the PIU and a Beneficiary and pursuant to which the PIU shall make a portion of the proceeds of the Grant available to the Beneficiary for the purpose of carrying out a Social Subproject.


33. “Subproject” means a specific development project selected in accordance with the provisions of the Project Implementation Manual and proposed to be carried out by under Part 3.1 of the Project, in part through the utilization of the proceeds of the Grant, and which consists of investments to prevent further degradation of hotspots and/or long-term planning and management of the coast, including for erosion control, flood control, pollution control, encompassing: (i) protection work of coastal areas, through green infrastructures (including, *inter alia*, dune fixation, wetland and mangrove restoration, beach replenishment, natural habitats management such as reduction of invasive species encroachment) and grey infrastructures (including, *inter alia*, construction of breakwaters, seawalls, revetments, groynes and dikes); (ii) flood control operations, through rehabilitation of flood banks, rehabilitation and management of natural flood areas (including, *inter alia*, dredging of rivers), rehabilitation and/or improvement of existing drainage systems in coastal, urban and rural areas, and land and water management practices in watersheds and areas of high ecosystem value; (iii) pollution control and waste management, through industrial and municipal waste and effluent management; solid waste management in coastal hotspots, with special emphasis on marine litter, improved collection, segregation and disposal practices of plastic waste, improved practices for reduction of hazardous material (chemicals, heavy metals, etc.), pollution prevention and control measures of oil spills; (iv) coastal
adaptation measures to climate change; and (v) implementation of the planned relocation activities developed under Part 3.2 of the Project, through the construction of residential housing and infrastructures (such as roads and social infrastructures), the provision of construction materials, and the restoration of livelihoods and standards of living.

34. “Technical Committee” means the technical body to be established by Recipient pursuant to the provisions of paragraph (d) of Section I.A.1 of Schedule 2 to this Agreement.

35. “West Africa Economic and Monetary Union” and “WAEMU” means, each, l’Union économique et monétaire ouest-africaine, the organization established in 1994 to promote economic integration among the countries that share the franc of the Financial Community of Africa as a common currency and comprising eight states (Benin, Burkina Faso, Côte d’Ivoire, the Republic of Guinea, Guinea Bissau, Mali, the Republic of Niger, Senegal, Togo) within the Economic Community of West African States Organization.

36. “Western Africa” means the region of seventeen coastal countries and island states in Western Africa between the Sahara Desert and the Gulf of Guinea, and which includes the Participating Countries.

37. “West Africa Coastal Observatory” means the information decision support system to be operationalized under Part 1.3 of the Project by IUCN pursuant to the Dakar Declaration dated May 18, 2011, signed by the ministers responsible for the environment and coastal erosion of Benin, Côte d’Ivoire, the Republic of The Gambia, the Republic of Ghana, the Republic of Guinea, the Republic of Guinea Bissau, the Republic of Liberia, Mauritania, Senegal, the Republic of Sierra Leone and Togo, with the purpose of monitoring the evolution of their coastal areas and guiding decisions in terms of planning and coastal risk reduction, thereby providing regional and national policy makers and institutions with coastal-related and climate change information and the necessary knowledge base to improve coastal zone management.