

CONFORMED COPY

GEF TRUST FUND GRANT NUMBER 028321-SA

Global Environment Facility Trust Fund Grant Agreement

(Cape Peninsula Biodiversity Conservation Project)

between

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

acting as an Implementing Agency of the Global Environment Facility

and

SOUTH AFRICAN NATIONAL PARKS

Dated March 2, 1998

GEF TRUST FUND GRANT NUMBER 028321-SA

**GLOBAL ENVIRONMENT FACILITY
TRUST FUND GRANT AGREEMENT**

AGREEMENT, dated March 2, 1998, between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the Bank), acting as an implementing agency of

the Global Environment Facility (GEF) in respect of grant funds provided to the GEF Trust Fund by certain members of the Bank as participants of the GEF, and SOUTH AFRICAN NATIONAL PARKS (the Recipient) a corporate body established by notice in the Gazette by the President of the Republic of South Africa (South Africa), and operating under the National Parks Act of South Africa, No. 57 of 1976;

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

(B) following the restructuring of the GEF, such arrangements are continued in place on the basis set forth in Resolution No. 94-2 of May 24, 1994, of the Executive Directors of the Bank establishing the GEF Trust Fund;

(C) the Recipient and South Africa having satisfied themselves as to the feasibility and priority of the Project described in Schedule 2 to this Agreement, have requested assistance from the resources of the GEF Trust Fund in the financing of Part A of the Project, and the Bank has determined that such assistance would be in accordance with the provisions of Resolution No. 94-2 referred to above;

(D) South Africa, through its letter of even date herewith, has agreed that the resources of the GEF Trust Fund approved for the financing of Part A of the Project be provided directly to the Recipient under the terms and conditions set forth in this Agreement and declaring, inter alia, that South Africa shall take all action necessary for the Recipient to carry out its obligations under this Agreement;

(E) South Africa has also requested additional assistance from the resources of the GEF Trust Fund and, by a GEF Trust Fund Grant Agreement of even date herewith between the Bank and World Wide Fund for Nature - South Africa (WWF-SA) (the WWF-SA Trust Fund Grant Agreement), the Bank has agreed to make available to WWF-SA, a GEF Trust Fund Grant in an amount equivalent to four million four hundred thousand Special Drawing Rights (SDR 4,400,000) to assist in financing Parts B and C of the Project on the terms and conditions set forth in such agreement; and

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

NOW THEREFORE, the parties hereto hereby agree as follows:

ARTICLE I

General Conditions; Definitions

Section 1.01 (a) The following provisions of the General Conditions Applicable to Loan and Guarantee Agreements of the Bank, dated January 1, 1985, with the modifications set forth in paragraph (b) of this Section (the General Conditions) constitute an integral part of this

Agreement:

- (i) Article I;
 - (ii) Sections 2.01 (1), (2), (3), (4), (6), (8), (9), (10), (11), (15), (18) and (20), 2.02 and 2.03;
 - (iii) Section 3.01;
 - (iv) Section 4.01 and the first sentence of Section 4.09;
 - (v) Article V;
 - (vi) Sections 6.01, 6.02 (c), (e), (f), (i) and (k), 6.03, 6.04 and 6.06;
 - (vii) Section 8.01 (b);
 - (viii) Sections 9.01 (a) and (c), 9.04, 9.05, 9.06, 9.07, 9.08 and 9.09;
 - (ix) Sections 10.01, 10.03 and 10.04;
 - (x) Article XI; and
 - (xi) Sections 12.01 (c), 12.03 and 12.04.
- (b) The General Conditions shall be modified as follows:
- (i) a new paragraph shall be added to the end of Section 2.01 to read as follows: “the term “Special Drawing Rights” and the symbol “SDR” mean special drawing rights as valued by the International Monetary Fund in accordance with its Articles of Agreement”;
 - (ii) the term “Bank”, wherever used in the General Conditions, other than in Sections 2.01 (8) and 6.02 (f) thereof and the last use of such term in Section 5.01 thereof, means the Bank acting as an implementing agency of the GEF, except that in Section 6.02, the term “Bank” shall also include the Bank acting in its own capacity;
 - (iii) the term “Borrower”, wherever used in the General Conditions, means the Recipient;
 - (iv) the term “Loan Agreement”, wherever used in the General Conditions, means this Agreement;
 - (v) the term “Loan” and “loan”, wherever used in the General Conditions, means the GEF Trust Fund Grant;
 - (vi) the term “Loan Account”, wherever used in the General Conditions, means the GEF Trust Fund Grant Account;

- (vii) The second sentence of Section 5.01 is modified to read: “Except as the Bank and the Borrower shall otherwise agree, no withdrawals shall be made: (a) on account of expenditures in the territories of any country which is not a member of the Bank or for goods produced in, or services supplied from, such territories; or (b) for the purpose of any payment to persons or entities, or for any import of goods, if such payment or import, to the knowledge of the Bank, is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations.”;
- (viii) a new subparagraph is added after subparagraph (j) in Section 6.02 of the General Conditions, as follows: “an extraordinary situation shall have arisen in which any further disbursement under the GEF Trust Fund Grant would exceed the resources available for disbursement from the GEF.”;
- (ix) the first sentence of Section 10.01 is deleted; and
- (x) Section 10.04 is amended to read: “Any dispute arising out of or relating to this Agreement which is not settled by agreement of the parties shall be finally settled by arbitration in accordance with the UNCITRAL Arbitration Rules in force on the date of this Agreement. The place of Arbitration shall be Washington D.C. In the event of a conflict between the UNCITRAL arbitration rules and the terms of this Agreement, the terms of this Agreement shall govern.”.

Section 1.02. Wherever used in this Agreement, unless the context otherwise requires, the several terms defined in the General Conditions and in the Recitals to this Agreement have the respective meanings therein set forth and the following additional terms have the following meanings:

(a) “CFK” means Cape Floral Kingdom, the bio-geographical region, mainly located within the boundaries of the Western Cape Province of South Africa, which includes “fynbos” and allied ecosystems;

(b) “Core Areas” means, with regard to the Proclamation of the Cape Peninsula National Park, as a national park under Section 2 B (1) (b) of the National Parks Act (as hereinafter defined), all the land in Schedule D previously held by the local authorities within the Cape Peninsula, which has been allocated to the Recipient pursuant to the Heads of Agreement in Respect of the Allocation of Local Authority Land in the Cape Peninsula Protected Natural Environment for the Purposes of Establishing a National Park, entered into between the Cape Metropolitan Council, the Cape Town Municipality, the South Peninsula Municipality and the Recipient;

(c) “CPPNE” means the Cape Peninsula Protected Natural Environment, which is an area protected pursuant to South Africa’s Environment Conservation Act, No. 73 of 1989, as amended to the date of this Agreement;

(d) “DEAT” means the Department of Environmental Affairs and Tourism of South

Africa;

(e) “EIS” means an environmental information system;

(f) “Environmental Analysis” means an initial environmental impact assessment as defined by the South African Integrated Environment Management (IEM) guidelines (issued by the DEAT, 1992);

(g) “Environmental Mitigation Plan” means the plan, adopted by the Recipient on October 30, 1997, providing for measures to be applied in mitigating the environmental impact of Project activities.

(h) “National Parks Act” means the National Parks Act, No. 57 of 1976 of South Africa, as amended;

(i) “NGO” means a non-governmental organization operating under the laws of South Africa;

(j) “Project Implementation Plan” or “PIP” means the plan referred to paragraph 1 of Schedule 4 to this Agreement containing, inter alia, work plans, monitoring and performance indicators referred to in paragraph 3 of Schedule 4 to this Agreement, and procedures to be used for the purpose of implementing the Project, as they may be amended from time to time, in consultation with the Bank, and such term includes any schedules to such plan;

(k) “Special Account” means the account referred to in Section 2.02 (b) of this Agreement; and

(l) “Subproject” means a project prepared and selected in accordance with the provisions of the WWF-SA GEF Trust Fund Grant Agreement, consisting of conservation activities in the Cape Peninsula and the Cape Floral Kingdom and to be financed under Part C of the Project.

ARTICLE II

The GEF Trust Fund Grant

Section 2.01. The Bank agrees to make available to the Recipient, on the terms and conditions set forth or referred to in this Agreement, the GEF Trust Fund Grant in an amount in various currencies equivalent to four million seven hundred thousand Special Drawing Rights (SDR 4,700,000).

Section 2.02. (a) The amount of the GEF Trust Fund Grant may be withdrawn from the GEF Trust Fund Grant Account in accordance with the provisions of Schedule 1 to this

Agreement for expenditures made (or, if the Bank shall so agree, to be made) in respect of the reasonable cost of goods and services required for carrying out Part A of the Project and to be financed out of the proceeds of the GEF Trust Fund Grant.

(b) The Recipient may, for the purposes of Part A of the Project, open and maintain in dollars a special deposit account in a commercial bank on terms and conditions satisfactory to the Bank, including appropriate protection against set off, seizure or attachment. Deposits into, and payments out of, the Special Account shall be made in accordance with the provisions of Schedule 5 to this Agreement.

Section 2.03. The Closing Date shall be June 30, 2004, or such later date as the Bank shall establish. The Bank shall promptly notify the Recipient of such later date.

ARTICLE III

Execution of the Project

Section 3.01. (a) The Recipient declares its commitment to the objectives of the Project as set forth in Schedule 2 to this Agreement and, to this end, shall carry out Part A of the Project with due diligence and efficiency, in conformity with appropriate biodiversity conservation practices and with due regard to ecological and environmental factors, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the Project.

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

Section 3.02. Except as the Bank shall otherwise agree, procurement of the goods, works and consultants' services required for Part A of the Project and to be financed out of the proceeds of the GEF Trust Fund Grant shall be governed by the provisions of Schedule 3 to this Agreement.

Section 3.03. For the purposes of Section 9.08 of the General Conditions and without limitation thereto, the Recipient shall:

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

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

ARTICLE IV

Financial Conditions

Section 4.01. (a) The Recipient shall maintain or cause to be maintained records and accounts adequate to reflect in accordance with sound accounting practices the operations, resources and expenditures in respect of Part A of the Project and to register separately the operations, resources and expenditures related to the Project.

(b) The Recipient shall:

- (i) have the records and accounts referred to in paragraph (a) of this Section, including those for the Special Account, for each fiscal year audited, in accordance with appropriate auditing principles consistently applied, by independent auditors acceptable to the Bank;
- (ii) furnish to the Bank as soon as available, but in any case not later than six months after the end of each such year, the report of such audit by said auditors, of such scope and in such detail as the Bank shall have reasonably requested; and
- (iii) furnish to the Bank such other information concerning said records and accounts and the audit thereof as the Bank shall from time to time reasonably request.

(c) For all expenditures with respect to which withdrawals from the GEF Trust Fund Grant Account were made on the basis of statements of expenditure, the Recipient shall:

- (i) maintain or cause to be maintained, in accordance with paragraph (a) of this Section, records and accounts reflecting such expenditures;
- (ii) retain, until at least one year after the Bank has received the audit report for the fiscal year in which the last withdrawal from the GEF Trust Fund Grant Account was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures;
- (iii) enable the Bank's representatives to examine such records; and
- (iv) ensure that such records and accounts are included in the annual audit referred to in paragraph (b) of this Section and that the report of such audit contains a separate opinion by said auditors as to whether the statements of expenditure submitted during such fiscal year, together with the procedures and internal controls involved in their preparation, can be relied upon to support the related withdrawals.

ARTICLE V

Other Covenants

Section 5.01. The Recipient shall carry on its business and operations, and otherwise conduct all its affairs, in accordance with sound professional, administrative, biodiversity

protection, cultural, ecological, economic, financial and land conservation practices, and in accordance with appropriate safety, health and environmental standards, acceptable to the Bank, and at all times under the supervision of qualified and experienced management assisted by competent staff.

Section 5.02. The Recipient shall, at all times, operate and maintain its business, equipment and other property, and from time to time, promptly as needed, take all necessary remedial measures and make all necessary repairs thereof.

Section 5.03. The Recipient shall take out and maintain with responsible insurers, or make other provisions acceptable to the Bank, for insurance against such risks and in such amounts as shall be consistent with reasonable practice to carry out its obligations under this Agreement.

Section 5.04. The Recipient shall promptly take all measures necessary to acquire, maintain, renew and otherwise exercise all rights, powers, privileges, registrations and franchises required for the proper conduct of its business and operations, and otherwise for its proper carrying out of all its obligations under this Agreement.

Section 5.05. The Bank is not an agent of or trustee for the Recipient and shall not have any fiduciary duty toward, or relationship with, the Recipient.

ARTICLE VI

Remedies of the Bank

Section 6.01. Pursuant to Section 6.02 (k) of the General Conditions, the following additional events are specified:

(a) South Africa or any other authority having jurisdiction over the Recipient shall have taken any action for the dissolution or disestablishment of the Recipient, or for the suspension of any of its operations so as to affect materially and adversely its ability to perform any of its obligations under this Agreement or otherwise carry out its respective parts of the project, or any part thereof;

(b) South Africa or any other authority shall have taken any action, including the enactment or issuance of legislation or regulations, which, in the opinion of the Bank, may adversely affect, prevent, or interfere with, the carrying out of the Project or the performance by the Recipient of any of its obligations under this Agreement;

(c) the National Parks Act shall have been amended, suspended, abrogated, repealed, or waived so as to affect materially and adversely the carrying out of the Project, or any part thereof;

(d) the Recipient shall have become unable to pay its debts as they mature or any action or proceeding shall have been taken by the Recipient or by others whereby any of the assets of the Recipient shall or may be distributed among its creditors; or

(e) South Africa: (i) shall have been suspended from membership in or ceased to be a member of the Bank; or (ii) shall have ceased to be a member of the International Monetary

Fund.

ARTICLE VII

Effectiveness, Termination

Section 7.01. The following events are specified as conditions to the effectiveness of the GEF Trust Fund Grant within the meaning of Section 12.01(c) of the General Conditions:

(a) the Proclamation, establishing the Cape Peninsula National Park, incorporating the Core Areas, has been published in the Gazette, in accordance with the provisions of the National Parks Act; and

(b) all conditions precedent to the effectiveness of the WWF-SA Trust Fund Grant Agreement have been fulfilled, other than those related to the effectiveness of this Agreement.

Section 7.02. The date ninety (90) days after the date of this Agreement is hereby specified for the purposes of Section 12.04 of the General Conditions.

Section 7.03. This Agreement shall continue in effect until the GEF Trust Fund Grant has been fully disbursed and the parties to this Agreement have fulfilled all their obligations hereunder.

ARTICLE VIII

Representatives of the Recipient; Addresses

Section 8.01. The Chief Executive of the Recipient is designated as representative of the Recipient for the purposes of Section 11.03 of the General Conditions.

Section 8.02 The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Recipient:

South Africa National Parks
P. O. Box 787
643 Leyds Street
Muckleneuk
Pretoria 0001, South Africa

For the Bank:

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

Cable address:

Telex:

INTBAFRAD
Washington, D.C.

248423 (MCI)
64145 (MCI)

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

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

By /s/ Callisto Madavo

Regional Vice President
Africa

SOUTH AFRICAN NATIONAL PARKS

By /s/ Rodney Wagner

Authorized Representative

SCHEDULE 1

Withdrawal of the Proceeds of the GEF Trust Fund Grant

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

Amount of the GEF Trust Fund Grant Allocated (Expressed in	% of Expenditures
---------------------------------------------------------------------	----------------------

<u>Category</u>	<u>SDR Equivalent)</u>	<u>to be Financed</u>
(1) Works	2,990,000	100% of local expenditures
(2) Goods and equipment	520,000	100% of foreign expenditures
(3) Consultants' services	820,000	100%
(4) Operating costs	<u>370,000</u>	100%
TOTAL	<u>4,700,000</u> =====	

2. For the purposes of this Schedule:

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

(b) the term "local expenditures" means expenditures in the currency of the Recipient or for goods and services supplied from the territory of the Recipient; and

(c) the term "operating costs" means expenses incurred by the Recipient on account of environmental education activities under Part A.2 of the Project.

3. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of payments made for expenditures prior to the date of this Agreement, except that withdrawals in an aggregate amount not exceeding the equivalent of \$250,000 may be made on account of payments made for expenditures before that date but after December 1, 1997.

4. The Bank may require withdrawals from the GEF Trust Fund Grant Account to be made on the basis of statements of expenditure for expenditures for: (a) works; (b) for goods under contracts costing less than \$250,000 equivalent; (c) services for consulting firms costing less than \$100,000 equivalent; (d) services for individual consultants costing less than \$50,000 equivalent; and (e) operating costs, all under such terms and conditions as the Bank shall specify by notice to the Recipient.

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

SCHEDULE 2

Description of the Project

The objectives of the Project are to: (i) ensure the rehabilitation and sustainable conservation of the globally significant flora and related fauna of the Cape Peninsula, including surrounding marine ecosystems; and (ii) initiate strategic conservation planning and conservation activities for the entire Cape Floral Kingdom.

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

Part A: Cape Peninsula National Park

1. Invasive Alien Plant Control Program

Carrying out an integrated program to reduce the threat to indigenous biodiversity from invasive alien plants on the Cape Peninsula.

2. Environmental Education and Public Information

(a) Upgrading of special education centers within the Cape Peninsula National Park to cater for visitors and members of neighboring communities, and initiating an outreach program to communities in the Cape Town Metropolitan Area.

(b) Carrying out a public information and communication campaign, targeting primarily the population in the Cape Town Metropolitan area.

3. Fire Control and Management

Strengthening the fire protection and fire management capacity of the Recipient in the Cape Peninsula National Park and adjacent areas.

4. Improved Tourist Infrastructure

Maintenance of footpaths and roads, and construction of minor gateways into the Cape Peninsula National Park.

5. Capacity Building

(a) Training of laborers in entrepreneurial skills in order to promote independent small scale enterprises undertaking the clearing of alien species, footpath maintenance and other park-related tasks.

(b) Provision of training for the Recipient's staff, to enable them to implement the Project more efficiently.

6. Marine Protection Program

Carrying out a study for the feasibility, with the related public consultation process, for incorporating the marine environment of the Cape Peninsula into the Cape Peninsula National Park, with the objective of maintaining marine biodiversity by reversing the over exploitation of certain species and combating general pollution threats.

7. Knowledge Management

Upgrading and consolidation of the existing Environmental Information Systems of the Cape Peninsula, implementing a system for Monitoring and Evaluation, and carrying out a series of applied studies aimed at strengthening park management and operations.

Part B: Strategic Planning for the Cape Floral Kingdom (CFK)

Preparation of a strategic action plan and investment program for the CFK.

Part C: Table Mountain Fund

Support for the sustainable management on the Cape Peninsula through financing of Subprojects designed to assist in the conservation of the biological diversity of the Cape Peninsula, adjacent areas and the Cape Floral Kingdom.

* * *

The Project is expected to be completed by December 31, 2003.

SCHEDULE 3

Procurement and Consultants' Services

Section I. Procurement of Good and Works

Part A: General

Goods shall be procured in accordance with the provisions of Section I of the "Guidelines for Procurement under IBRD Loans and IDA Credits" published by the Bank in January 1995 and revised in January and August 1996 (the Guidelines) and the following provisions of Section I of this Schedule.

Part B: International Competitive Bidding

Except as otherwise provided in Part C of this Section, goods shall be procured under contracts awarded in accordance with the provisions of Section II of the Guidelines and paragraph 5 of Appendix 1 thereto.

Part C: Other Procurement Procedures

1. Force Account

Works which meet the requirements of paragraph 3.8 of the Guidelines, and costing \$1,000,000 equivalent or less in the aggregate, may, with the Bank's prior agreement, be carried out by force account in accordance with the provisions of said paragraph of the Guidelines.

2. Procurement of Small Works

Works estimated to cost less than \$20,000 equivalent per contract, up to an aggregate amount not to exceed \$3,000,000 equivalent, may be procured under lump-sum, fixed-price contracts awarded on the basis of quotations obtained from three (3) qualified domestic contractors in response to a written invitation. The invitation shall include a detailed description of the works, including basic specifications, the required completion date, a basic form of agreement acceptable to the Bank, and relevant drawings, where applicable. The award shall be made to the contractor who offers the lowest price quotation for the required work, and who has the experience and resources to complete the contract successfully.

Part C: Review by the Bank of Procurement Decisions

1. Procurement Planning

Prior to the issuance of any invitations to prequalify for bidding or to bid for contracts, the proposed procurement plan for the Project shall be furnished to the Bank for its review and approval, in accordance with the provisions of paragraph 1 of Appendix 1 to the Guidelines. Procurement of all goods and works shall be undertaken in accordance with such procurement plan as shall have been approved by the Bank, and with the provisions of said paragraph 1.

2. Prior Review

With respect to each contract estimated to cost the equivalent of \$100,000 or more, the procedures set forth in paragraphs 2 and 3 of Appendix 1 to the Guidelines shall apply.

3. Post Review

With respect to each contract not governed by paragraph 2 of this Part, the procedures set forth in paragraph 4 of Appendix 1 to the Guidelines shall apply.

Section II. Employment of Consultants

Part A: General

Consultants' services shall be procured in accordance with the provisions of the Introduction and Section IV of the "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" published by the Bank in January 1997 (the Consultant Guidelines) and the following provisions of Section II of this Schedule.

Part B: Quality- and Cost-based Selection

Except as otherwise provided in Part C of this Section, consultants' services shall be procured under contracts awarded in accordance with the provisions of Section II of the Consultant Guidelines, paragraph 3 of Appendix 1 thereto, Appendix 2 thereto, and the provisions of paragraphs 3.13 through 3.18 thereof applicable to quality- and cost-based selection of consultants.

Part C: Other Procedures for the Selection of Consultants

Individual Consultants

Services under Part A of the Project shall be procured under contracts awarded to individual consultants in accordance with the provisions of paragraphs 5.1 through 5.3 of the Consultant Guidelines.

Part D: Review by the Bank of the Selection of Consultants

1. Selection Planning

Prior to the issuance to consultants of any requests for proposals, the proposed plan for the selection of consultants under the Project shall be furnished to the Bank for its review and approval, in accordance with the provisions of paragraph 1 of Appendix 1 to the Consultant Guidelines. Selection of all consultants' services shall be undertaken in accordance with such selection plan as shall have been approved by the Bank, and with the provisions of said paragraph 1.

2. Prior Review

(a) With respect to each contract estimated to cost the equivalent of \$100,000 or more, the procedures set forth in paragraphs 1, 2 (other than the third subparagraph of paragraph 2 (a)) and 5 of Appendix 1 to the Consultant Guidelines shall apply.

(b) With respect to each contract for the employment of individual consultants estimated to cost the equivalent of \$50,000 or more, the qualifications, experience, terms of reference and terms of employment of the consultants shall be furnished to the Bank for its prior review and approval. The contract shall be awarded only after said approval shall have been given.

3. Post Review

With respect to each contract not governed by paragraph 1 of this Part, the procedures set forth in paragraph 4 of Appendix 1 to the Consultant Guidelines shall apply.

SCHEDULE 4

Implementation Program

1. (a) Except as the Bank shall otherwise agree, the Recipient shall, in carrying out the Project, apply the guidelines and procedures specified in the PIP and shall not amend the PIP or waive any provision thereof, which, in the opinion of the Bank, will materially or adversely

affect the implementation of the Project.

(b) The Recipient shall: (i) not later than January 31, of each year, furnish to the Bank for approval the draft annual workplan for the Project; (ii) by March 31 of each year, furnish to the Bank the final annual workplan; and (iii) carry out the activities for the year in question on the basis of such work plan.

2. The Recipient shall, commencing September 30, 1998, furnish to the Bank every six months progress reports on implementation of the Project.

3. The Recipient shall: (a) maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with indicators satisfactory to the Bank, the carrying out of the Project and the achievement of the objectives thereof;

(b) prepare, under the terms of reference satisfactory to the Bank, and furnish to the Bank, on or about June 30, 2000, a report integrating inter alia: (i) the results of the monitoring and evaluation activities performed pursuant to paragraph (a) of this Section, on the progress achieved in the carrying out of the Project during the period preceding the date of said report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives thereof during the period following such date; (ii) the status of the Recipient's participation in the development of the strategic plan for the Cape Floral Kingdom; and (iii) progress in developing entrepreneurial skills under Part A.5 (a) of the Project; and

(c) review with the Bank, by September 30, 2000, or such later date as the Bank shall request, the report referred to in paragraph (b) of this Section, and, thereafter, take all measures required to ensure the efficient completion of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of the said report and the Bank's views on the matter.

4. The Recipient shall carry out the Environmental Mitigation Plan in accordance with the plan of action and timetable included in such plan.

ANNEX TO SCHEDULE 4

Performance Indicators

	Key Performance Indicators	Monitoring and Supervision	Critical Assumptions and Risks

Narrative Summary			
<p>Project Development Objectives</p> <p>Rehabilitate and maintain indigenous terrestrial flora and fauna on the Cape Peninsula and marine conservation in immediately surrounding areas</p>	<p>No indigenous species added to the list of rare and/or threatened species (Red Data list). No additional plant species becoming extinct</p> <p>All invasive alien seed bearing plants removed by year 6. All natural areas previously infested with invasive aliens in maintenance phase by year 6</p> <p>80% reduction of area burnt in uncontrolled wildfires by year 6</p> <p>No infrastructural damage to private property outside the National Park</p> <p>Implementation of an agreed marine protection plan</p>	<p>Reports from the Recipient, the Table Mountain Fund and NGOs. Supervision visits</p>	<p>Exogenous political and economic events will not deter foreign and domestic visitors to come to the park</p>
<p>Project Outputs</p> <p>(i) Removal of alien invasive plants</p> <p>(ii) Enhanced environmental awareness among visitors and the general public</p> <p>(iii) Controlled regeneration of natural vegetation through fire</p> <p>(iv) Well maintained and sign-posted tourist infrastructure</p>	<p>(i) 2500 ha/year of land cleared of initial infestation of alien invasive species</p> <p>(ii) Comprehensive visitor data maintained at controlled access points (including regular surveys). Seasonal visitor surveys of unmanned access points to the Park</p> <p>(iii) At least 3% p.a. of total vegetation requiring a regular fire regime to be subject to controlled burning. By year 6, at least 20% of total vegetation requiring a regular fire regime to be subject to a controlled burning program.</p> <p>(iv) Increased visitor use of trails and gateways</p>	<p>(i) Recipient reports, TMF, NGO activity reports and site visits.</p> <p>(ii) Visitor statistics and survey reports</p> <p>(iii) Recipient fire records</p> <p>(iv) Visitor surveys</p>	<p>(i) There will be a unified, efficient national park authority implementing the conservation program on public land, and private land-owners will contract in</p> <p>(ii) Exogenous events will not significantly influence visitor rates</p> <p>(iii) Weather conditions will not change significantly. Controlled burning will be accepted by surrounding communities</p> <p>(iv) Changes in visitor rates and composition will not overwhelm the park.</p>

<p>(v) The emergence of entrepreneurs from disadvantaged groups capable of undertaking conservation work</p> <p>(vi) Determine the feasibility of establishing a marine component to the National Park</p> <p>(vii) Enhanced knowledge about rational management of flora and fauna on and around the Peninsula</p>	<p>(v) Share of conservation work cost out-sourced to entrepreneurs from the program reaching at least 50% by year 3 and remaining above this for the rest of the program</p> <p>(vi) The proclamation of a marine national park surrounding the Cape Peninsula, if feasible, by year 5</p> <p>(vii) M&E, EIS and study results utilized by park management</p>	<p>(v) Recipient contract records</p> <p>(vi) Public observance of regulations.</p> <p>(vii) Study reports and records of management decisions</p>	<p>(v) Conservation work will be attractive option in the private market for trained entrepreneurs</p> <p>(vi) Major pollution events will not threaten marine life.</p> <p>(vii) Management will have the resources to act on study proposals</p>
<p>Project Components</p> <p>(i) Invasive alien species eradication</p> <p>(ii) Environmental education</p> <p>(iii) Enhanced fire management</p> <p>(iv) Improved tourist infrastructure</p> <p>(v) Capacity building among contract labor</p> <p>(vi) Marine protection program</p> <p>(vii) Knowledge management</p>	<p>(i) Employment of contract labor reaching at least 400 new jobs created by year 3</p> <p>(ii) Development of 30 customized resource programs for target audiences in adjacent communities by year 3</p> <p>(iii) Engagement of stand-by fire fighting personnel.</p> <p>(iv) Contracting of labor sufficient to undertake improvement works</p> <p>(v) Training of independent contractors for alien clearing, recruited from adjacent disadvantaged communities; 30 in year 1, 20 in years 2 and 3</p> <p>(vi) Delineation and sign-posting of park, if feasible, achieved by year 6</p> <p>(vii) Contracted suppliers of M&E system and consolidated EIS appointed within one year. At least 8 adaptive research programs, focusing on project priorities, initiated by year 2</p>	<p>(i) Annual reports from the Recipient, the Table Mountain Fund and NGOs. Supervisory consultations with NGOs and labor engaged in the conservation efforts</p> <p>(ii) As above plus beneficiary evaluations</p> <p>(iii) Recipient and contractors' fire records</p> <p>iv) Recipient annual reports and on-site visits</p> <p>(v) Recipient records and interviews with entrepreneurs</p> <p>(vi) Legal documents. Public announcements</p> <p>(vii) M&E reports, EIS outputs, study proposals, decision records and study reports</p>	<p>(i) & (ii) Agreement is reached establishing unified Recipient management control over the p area</p> <p>(iv) As for activities (i) & (ii)</p> <p>(v) No intervening labor disputes</p> <p>(vi) Consensus on the desirability and boundaries of a marine national park</p> <p>(vii) Sufficient interest among academics and NGOs, and funding from the TMF</p>

--	--	--	--

SCHEDULE 5

Special Account

1. For the purposes of this Schedule:

(a) the term “eligible Categories means Categories (1) through (4) set forth in the table in paragraph 1 of Schedule 1 to this Agreement in respect of Part A of the Project;

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

(c) the term “Authorized Allocation” means an amount equivalent to \$500,000 to be withdrawn from the GEF Trust Fund Grant Account and deposited into the Special Account pursuant to paragraph 3 (a) of this Schedule.

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

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

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

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

(ii) Prior to or at the time of each such request, the Recipient shall furnish to the Bank the documents and other evidence required pursuant to paragraph 4 of this Schedule for the payment or payments in respect of which replenishment is requested. On the basis of each such request, the Bank shall, on behalf of the Recipient, withdraw from the GEF Trust Fund Grant Account and deposit into the Special Account such amount as the Recipient shall have requested and as shall have been shown by said documents and other evidence to have been paid out of the Special Account for eligible expenditures. All such deposits shall be withdrawn

Account for eligible expenditures. All such deposits shall be withdrawn by the Bank from the GEF Trust Fund Grant Account under the respective eligible Categories, and in the respective equivalent amounts, as shall have been justified by said documents and other evidence.

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

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

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

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

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

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

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

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

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

Recipient shall, promptly upon notice from the Bank, refund to the Bank such outstanding amount.

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

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

