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GEF (LDCF) TRUST FUND GRANT NUMBER TF010875

# **Global Environment Facility Trust Fund Grant Agreement**

**(Kiribati Adaptation Program – Phase III Project (KAP III))**

between

**REPUBLIC OF KIRIBATI**

and

**INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT**

**(acting as an Implementing Agency of the Global Environment Facility  
Least Developed Country Fund (LDCF))**

**Dated October 14, 2011**

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**GEF (LDCF) TRUST FUND GRANT NUMBER TF010875**

**GLOBAL ENVIRONMENT FACILITY (LDCF)  
TRUST FUND GRANT AGREEMENT**

AGREEMENT dated October 14, 2011, entered into between: REPUBLIC OF KIRIBATI (“Recipient”); and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“World Bank”), acting as an implementing agency of the Global Environment Facility Least Developed Country Fund (“GEF (LDCF)”).

The Recipient and the World Bank hereby agree as follows:

**Article I  
Standard Conditions; Definitions**

- 1.01. The Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated July 31, 2010 (“Standard Conditions”), constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement.

**Article II  
The Project**

- 2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement (“Project”). To this end, the Recipient shall carry out Parts 1, 2, 3(a) through (d), and 4 of the Project through OB and cause the Implementing Entities to carry out their respective parts of the Project 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 the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

**Article III  
The Grant**

- 3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to three million United States Dollars (U.S.\$3,000,000) (“Grant”) to assist in financing the Project.
- 3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.
- 3.03. The Grant is funded out of the above-mentioned trust fund for which the World Bank receives periodic contributions. In accordance with Section 3.02 of the Standard Conditions, the Recipient may withdraw the Grant proceeds 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) that the legal framework establishing the National Adaptation Steering Committee, its membership and its operation have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely, in the opinion of the World Bank, the ability of the Recipient to perform any of its obligations under this Agreement; and
  - (b) that the legal framework establishing the Project Management Unit, its staff and its operation have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely, in the opinion of the World Bank, the ability of the Recipient to perform any of its obligations under this 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 conditions specified below have been satisfied.
  - (a) The execution and delivery of this Agreement on behalf of the Recipient have been duly authorized or ratified by all necessary governmental action.

- (b) The Co-financing Agreements have been executed and delivered and all conditions precedent to their effectiveness or to the right of the Recipient to make withdrawals under them (other than the effectiveness of this Agreement) have been fulfilled.
  - (c) The Project Management Unit has been established by the Recipient in form and substance satisfactory to the World Bank.
- 5.02. As part of the evidence to be furnished pursuant to Section 5.01(a), there shall be furnished to the World Bank an opinion or opinions satisfactory to the World Bank of counsel acceptable to the World Bank or, if the World Bank so requests, a certificate satisfactory to the World Bank of a competent official of the Member Country, showing the following matters, namely that this Agreement has been duly authorized or ratified by, and executed and delivered on behalf of the Recipient and is legally binding upon it in accordance with its terms.
- 5.03. Except as the Recipient and the World Bank 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.
- 5.04. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (90) days after the date of this Agreement, unless the 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 its Minister of Finance and Economic Development.
- 6.02. The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Finance and Economic Development  
P.O. Box 67, Bairiki, Tarawa  
Republic of Kiribati

Facsimile:

68621307

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

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

Cable:

Telex:

Facsimile:

INTBAFRAD

248423 (MCI) or

Washington, D.C.

64145 (MCI)

1-202-477-6391

AGREED at Bairiki, Tarawa, Republic of Kiribati, as of the day and year first above written.

REPUBLIC OF KIRIBATI

By/s/ Natan Teewe

Authorized Representative

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT  
acting as an Implementing Agency of the  
Global Environment Facility  
Least Developed Country Fund

By/s/ Ferid Belhaj

Authorized Representative

## **SCHEDULE 1**

### **Project Description**

The objective of the Project is to improve the resilience of the Recipient to the impacts of climate change on freshwater supply and coastal infrastructure.

The Project consists of the following parts:

#### **Part 1 – Improving Water Resource Use and Management**

Improving water resource use and management through the provision of works, equipment and technical assistance for: (a) expansion of the installation of groundwater abstraction systems in Recipient's North Tarawa based on findings and results of completed investigations and community consultation work; (b) water reticulation management and leakage detection and repair of real losses, including support for capacity development of selected Implementing Entities and community awareness raising; (c) installation of rainwater harvesting systems on public buildings for community use; and (d) updating of the legislative and regulatory framework and governance model for water resource management with a focus on improved management and protection of the water resources in Recipient's Bonriki and Buota.

#### **Part 2 – Increasing Coastal Resilience**

Increasing coastal resilience through works, equipment and technical assistance for: (a) investments in shoreline protection in priority sites; (b) advisory support for shoreline erosion mitigation measures to further build MPWU's capability in coastal assessment, option analysis, design and construction; (c) the development of skills in coastal infrastructure asset management for MPWU; and (d) mangrove replanting in outer islands.

#### **Part 3 – Strengthening the Capacity to Manage the Effects of Climate Change and Natural Hazards**

Strengthening the capacity of the Implementing Entities and OB to manage the effects of climate change through the provision of works, equipment, small grants and technical assistance for: (a) dedicated support to the Strategic Risk Management Unit in OB to identify responsibilities and undertake its role with respect to climate change adaptation and disaster risk reduction functions; (b) the development of (A) a national coastal management policy framework and strategy and (B) climate adaptation and risk mitigation plans helping communities and central/sub-national authorities to improve resilience at village and island level by identifying risk localities and vulnerable public infrastructure, preferred management action, potential resources and solutions, all locally managed and implemented within the national coastal management policy framework and strategy; (c) communication and media activities related to climate change adaptation and disaster risk reduction; (d) climate change website maintenance to continue to populate the existing website with

outputs, stories and general information; and (e) selected community activities (“Community Initiatives”) on climate change adaptation and disaster risk reduction found eligible for financing through a small grants scheme.

#### **Part 4 – Project Management, Monitoring and Evaluation**

Ensuring appropriate Project management, monitoring and evaluation through works, equipment and technical assistance for: (a) the establishment and operation of an appropriately staffed Project Management Unit; (b) the carrying out of timely audits of the Project financial systems and results; (c) carrying out an independent mid-term review of the Project including its progress and achievements; and (d) monitoring and evaluation.

**SCHEDULE 2****Project Execution****Section I. Institutional and Other Arrangements****A. Institutional Arrangements**

1. The Recipient shall maintain until completion of the Project, the National Adaptation Steering Committee, chaired by the OB, composed of representatives from OB, MELAD, MPWU, the Ministry of Fisheries and Marine Resource Development, the Ministry of Health and Medical Services, the Ministry of Communications, Transport and Tourism Development, the Ministry of Internal and Social Affairs, the Ministry of Finance and Economic Development, PUB, Kiribati Association of Non-Government Organization, Chamber of Commerce, Kiribati National Council of Churches, and Kiribati National Council of Women's Association, and provided with such powers, responsibilities and funding as required to provide general guidance and oversight of the Project to ensure effective coordination and alignment with the Recipient's strategic priorities.
2. The Recipient shall maintain until completion of the Project, the Project Management Unit within OB, headed by a qualified and experienced manager and with qualified staff in adequate numbers and provided with such powers, responsibilities and funding as required to provide daily management, implementation, monitoring and evaluation of the Project and comprising:
  - (i) one procurement officer responsible for overseeing Project procurement activities;
  - (ii) one accountant responsible for overseeing Project accounting and financial management reporting; and
  - (iii) one assistant Project manager.

**B. Implementation Arrangements**

1. In carrying out the Project, the Recipient, through OB, shall, in consultation with and the support of the Implementing Entities: (i) as soon as available, but in any event no later than by June 30 in each calendar year, commencing on any such date after the Effective Date, until completion of the Project, furnish to the World Bank for its approval, the draft Annual Work Program for the immediately following calendar year, of such scope and detail as the World Bank shall have reasonably requested, including, without limitation, a budget and indication of source of funds, including any necessary counterpart funds and all measures

taken or to be taken in accordance with the Environmental Management Plan and the Land Acquisition and Resettlement Framework; (ii) by December 31 in each calendar year, commencing on any such date after the Effective Date, adopt said Annual Work Program, as so approved; and (iii) thereafter, implement said Annual Work Program in a manner acceptable to the World Bank; provided, however, that the Annual Work Program for the calendar year January 1 to December 31, 2012, shall be prepared and furnished to the World Bank for its approval by no later than December 15, 2011; and thereafter the Recipient shall adopt and implement said Annual Work Program in a manner acceptable to the World Bank, including the provision of counterpart funds and all measures taken or to be taken in accordance with the Environmental Management Plan and the Land Acquisition and Resettlement Framework.

2. The Recipient shall carry out the Project in accordance with the Operational Manual.
3. The Recipient shall not amend, suspend, abrogate, repeal or waive any provisions of the Operational Manual without the prior agreement of the World Bank and undertake to update the Operational Manual as necessary with the prior discussion and agreement of the World Bank.
4. The Recipient shall ensure that the relevant portions of the Operational Manual are made available, at all times until completion of the Project, to each person or entity which receives, is responsible for deposit or transfer of, or takes or influences decisions regarding the use of proceeds of the Grant, including the Project Management Unit, communities and small grant recipients and all consultants and contractors.
5. The Recipient shall update the Operational Manual in form and substance satisfactory to the World Bank no later than September 30, 2011.

**C. Anti-Corruption**

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 (“Anti-Corruption Guidelines”).

**D. Safeguards**

1. The Recipient shall ensure that:
  - (a) the Project is carried out in accordance with the Environmental Management Plan and the Land Acquisition and Resettlement Framework, including

special features for implementation of the Project in an environmental and culturally appropriate manner; and

- (b) any Land Acquisition and Resettlement Plan prepared in accordance with the Land Acquisition and Resettlement Framework is carried out in accordance with their respective terms.
2. The Recipient shall not assign, amend, abrogate or waive, or permit to be assigned, amended, abrogated, or waived, the Environmental Management Plan and the Land Acquisition and Resettlement Framework or any provision of any one thereof without the prior written agreement of the World Bank.
  3. The Recipient shall ensure that each contract for civil works financed under the Project includes the obligation of the relevant contractor to implement the Environmental Management Plan and the Land Acquisition and Resettlement Framework. The Recipient shall also ensure that compliance by said contractors with the Environmental Management Plan and the Land Acquisition and Resettlement Framework is monitored and supervised by OB.
  4. The Recipient shall take all measures necessary to regularly collect, compile, and submit to the World Bank, as part of the Project Reports, information on the status of compliance with the Environmental Management Plan and the Land Acquisition and Resettlement Framework, giving details of:
    - (a) measures taken in furtherance of such documents;
    - (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such documents; and
    - (c) remedial measures taken or required to be taken to address such conditions.
  5. In the event of a conflict between the provisions of any of the Environmental Management Plan or the Land Acquisition and Resettlement Framework and those of this Agreement, the provisions of this Agreement shall prevail.

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

### **A. Project Reports; Completion Report**

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators agreed with the World Bank and set forth in Schedule 3 to this Agreement. Each Project Report shall cover the

period of one (1) calendar semester, and shall be furnished to the World Bank not later than forty-five (45) days after the end of the period covered by such report.

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

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

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.
2. The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty-five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.
3. The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07(b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one (1) fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six (6) months after the end of such period.

**Section III. Procurement**

**A. General**

1. **Procurement and Consultant Guidelines.** All goods, works and services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:
  - (a) Section I of the Procurement Guidelines in the case of goods, works and non-consulting services, and Sections I and IV of the Consultant Guidelines in the case of consultants' services; and
  - (b) the provisions of this Section III, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines ("Procurement Plan").
2. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the World Bank of

particular contracts, refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

**B. Particular Methods of Procurement of Goods, Works and Non-consulting Services**

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding; (b) Shopping; (c) Direct Contracting; (d) Force Account; (e) Procurement from United Nations Agencies; and (f) Community Participation in Procurement procedures which have been found acceptable to the World Bank.

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

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

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

The Procurement Plan shall set forth those contracts which shall be subject to the World Bank's Prior Review. All other contracts shall be subject to Post Review by the World Bank.

**Section IV. Withdrawal of Grant Proceeds**

**A. General**

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

Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures 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 amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<b>Category</b>	<b>Amount of the Grant Allocated (expressed in USD)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Goods, Works, Non-consulting services, Operating Costs, Consultants’ services and Training under the Project (except for Part 3(e))	3,000,000	100%
<b>TOTAL AMOUNT</b>	3,000,000	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement.
2. The Closing Date referred to in Section 3.06(c) of the Standard Conditions is August 31, 2016.

**Section V. Other Undertakings**

The Recipient shall undertake jointly with the World Bank, by June 30, 2014 or such later date as may be established by the World Bank, a review of the implementation of the Project.

### SCHEDULE 3 Performance Monitoring Indicators

<b>Project Development Objective (PDO):</b> The project will improve the resilience of Kiribati to the impacts of climate change on freshwater supply and coastal infrastructure.												
PDO Level Results Indicators	Core	Unit of Measure	Baseline	Cumulative Target Values					Frequency	Data Source/ Methodology	Responsibility for Data Collection	Des
				YR 1	YR 2	YR3	YR 4	YR5				
<b>Indicator One:</b> Volume of potable water per day provided, water saved through reduced leakage and wastage.	<input type="checkbox"/>	Kilo-liters per day	< 5	40	80	160	190	190	Semi-annual project report	Supervision Mission/ Progress Report	MPWU/PUB	Volun areas reticu
<b>Indicator Two:</b> Volume of potable water per day provided from new groundwater sources, and new rainwater harvesting systems.	<input type="checkbox"/>	Kilo-liters per day	25	50	75	78	80	82	Semi-annual project report	Supervision Mission/ Progress Report	MPWU/PUB	Volun new s harvest extrac
<b>Indicator Three:</b> Length of coastline with vulnerable public and private assets made resilient to the effects of sea-level rise and wave action and extreme and variable weather events to a minimum 25 year design life.	<input type="checkbox"/>	km	0.5	0.8	1.0	1.3	1.6	1.6	Semi-annual project report	Supervision Mission/ Progress Report	MPWU	Cumu treatm of wo planti seawa
<b>INTERMEDIATE RESULTS</b>												
<b>Intermediate Result (Component C1):</b> Improve Water Resource Use and Management												
<i>Intermediate Result indicator One:</i> Number of groundwater abstraction systems installed and operating in North Tarawa.	<input type="checkbox"/>	Number	1	2	3	3	3	3	Semi-annual project report	Supervision Mission/ Progress Report	MPWU	Numb (exclu operat from c
<i>Intermediate Result indicator Two:</i> - The frequency of water supply of households has	<input checked="" type="checkbox"/>	Number	1-2	2	2-3	3-4	3-4	3-4	Semi-annual project report	Supervision Mission/ Progress Report	PUB	Meas of hou the PU

increased from an average 1-2 hours per day to 3-4 hours per day in areas treated for leakage/waste reduction.													rehab revenue achiev
<i>Intermediate Result indicator Three:</i> Reduction in total volume of non-revenue water lost through leaks and wastage in zones treated for leakage reduction in South Tarawa.	<input type="checkbox"/>	Percent change	0%	4%	9%	14%	19%	19%	Semi-annual project report	Supervision Mission/ Progress Report	PUB		Rever water using Practi appro 50% r revenue treated
<i>Intermediate Result indicator Four:</i> Number of rainwater harvesting systems installed and operating on public buildings (all islands).	<input type="checkbox"/>	Number	4	4	9	15	15	15	Semi-annual project report	Supervision Mission/ Progress Report	MPWU		Instal means collec time o water comm
<i>Intermediate Result indicator Five:</i> Public health water quality test results (and warnings if necessary) are publically notified and understood by communities each month relating to water sources throughout North and South Tarawa.	<input type="checkbox"/>	Number each six month interval	0	2	4	5	5	5	Semi-annual project report	Supervision Mission/ Progress Report	MHMS/PUB/MPWU		Asses have r under inform interv Missi
<b>Intermediate Result (Component C2): Increase Coastal Resilience</b>													
<i>Intermediate Result indicator One:</i> Coastline asset condition assessment is completed and documented for all major non-government assets along the South Tarawa coastline.	<input type="checkbox"/>		Assessment completed for government assets.			Assessme nt is updated with non- governme nt assets.			Semi-annual project report	Supervision Mission/ Progress Report	MPWU/MELAD		Coast update non-g priori treatm necess funde
<i>Intermediate Result indicator Two:</i> Government coastal asset	<input type="checkbox"/>		No ongoing programs are		Works program is	Works program is	Works program is		Semi-annual project report	Supervision Mission/	MPWU/MELAD		The c assess



## APPENDIX

### Definitions

1. “Annual Work Program” means the annual program prepared in accordance with Section I.B.1 of Schedule 2 to this Agreement.
2. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011.
3. “BTC” means Betio Town Council, an urban local council located in South Tarawa in the Recipient’s territory.
4. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
5. “Co-financier” means each: (i) the Government of Australia, and (ii) the Global Facility for Disaster Reduction and Recovery (either through a contribution from the Government of Japan or otherwise) and “Co-financiers” means both of the foregoing, referred to in paragraph 10 of the Appendix to the General Conditions.
6. “Co-financing” means: (i) an amount of four million eight hundred fifty thousand Australian dollars (AU\$4,850,000) to be provided by the Government of Australia to assist in financing the Project; and (ii) an amount of two million seven hundred thousand United States dollars (\$2,700,000) to be provided by the Global Facility for Disaster Reduction and Recovery (through a contribution from the Government of Japan or otherwise) to assist in financing the Project.
7. “Co-financing Agreements” means the agreements to be entered into between the Recipient and each of the Co-financiers providing for the Co-financing.
8. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004 and revised in October 2006 and May 2010.
9. “Displaced Persons” means persons who may experience direct economic and social impacts that result from the Project and are caused by: (a) the involuntary taking of land resulting in relocation or loss of shelter, loss of assets or access to assets, or loss of income sources or means of livelihood whether or not such persons must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas resulting in adverse

impacts on the livelihoods of such persons; and “Displaced Person” means any one of such Displaced Persons. “Displaced Persons” means persons who may experience direct economic and social impacts that result from the Project and are caused by: (a) the involuntary taking of land resulting in relocation or loss of shelter, loss of assets or access to assets, or loss of income sources or means of livelihood whether or not such persons must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas resulting in adverse impacts on the livelihoods of such persons; and “Displaced Person” means any one of such Displaced Persons.

10. “Environmental Management Plan” means the plan, dated February 2011, adopted by the Recipient and found satisfactory to the World Bank, setting out mitigation, enhancement, monitoring, and institutional measures, including capacity building through training, to eliminate any adverse environmental impacts of Project activities, offset them, or reduce them to acceptable levels, or enhance positive impacts, as such plan may be modified from time to time with the prior written agreement of the World Bank, and such term includes any schedules or annexes to such plan.
11. “Implementing Entities” means all and any of the following: MPWU, PUB, OB, MELAD, MHMS, Island Councils, BTC and TUC.
12. “Island Councils” means local councils located in each island of the Recipient’s territory.
13. “Land Acquisition and Resettlement Framework” means the framework, dated August, 2005, adopted by the Recipient and found satisfactory to the World Bank, setting out mitigation, enhancement, monitoring, and institutional measures, including capacity building through training, to carry out acquisition of land and related assets under the Project, compensation, resettlement, and rehabilitation of Displaced Persons, as well as guidelines and procedures for the preparation of Land Acquisition and Resettlement Plans, as the same may be modified from time to time with the prior written agreement of the World Bank, and such term includes any annexes or schedules to such framework.
14. “Land Acquisition and Resettlement Plan” means the plan prepared by the Recipient, agreed with the World Bank pursuant to Section I.D.1(b) of Schedule 2 to this Agreement, setting out mitigation, enhancement, monitoring, and institutional measures, including capacity building through training, to carry out acquisition of land and related assets under the Project, compensation, resettlement, and rehabilitation of Displaced Persons, prepared in accordance with the provisions of the Land Acquisition and Resettlement Framework, as the same may be modified from time to time with the prior written agreement of the Bank, and such term includes any schedules or annexes to such plan.

15. "MELAD" means the Recipient's Ministry of Environment, Land and Agricultural Development.
16. "MHMS" means Recipient's Ministry of Health and Medical Services.
17. "MPWU" means the Recipient's Ministry of Public Works and Utilities.
18. National Adaptation Steering Committee means the committee referred to in Section 1.A.1 of Schedule 2 to this Agreement.
19. "Non-consulting services" means services (other than consultant services) described in footnote 2 to paragraph 1.1 of the Procurement Guidelines.
20. "OB" means the Recipient's Office of Te Beretitenti (Office of the President).
21. "Operational Manual" means the manual for the implementation of the Project, prepared by the Recipient and satisfactory to the Bank, and to be updated by the Recipient by September 30, 2011, which includes details of procurement procedures and standard procurement documentation, reporting requirements, financial management procedures and audit procedures, all in accordance with the provisions of this Agreement, as the same may be amended from time to time with the prior written approval of the Bank.
22. "Operating Costs" means in respect of the Category of the table in Section IV.A 2 of Schedule 2 to this Agreement, reasonable and necessary incremental expenditures related to the operation of the Project and incurred on account of Project implementation, monitoring, evaluation, coordination and supervision, as approved by the World Bank based on annual budgets acceptable to the World Bank, which would not have been incurred but for the Project, including: (i) maintenance and operation of equipment and vehicles procured or used for the management of the Project; (ii) salaries paid to staff hired for the purposes of the Project, other than the Recipient's civil servants' salaries and honoraria; (iii) travel costs and per diems; (iv) consumable office supplies and utilities; (v) communication, printing and publications; (vi) bank charges; and (vii) other miscellaneous costs as may be agreed with the World Bank from time to time.
23. "Procurement Guidelines" means the "Guidelines: Procurement under IBRD Loans and IDA Credits" published by the Bank in May 2004 and revised in October 2006 and May 2010.
24. "Procurement Plan" means the Recipient's procurement plan for the Project, dated July 14, 2011 and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

25. "Project Management Unit" means a unit within OB, in charge of daily implementation, management, monitoring and evaluation of the Project and to be created by the Recipient pursuant to Section 5.01(c) of this Agreement.
26. "PUB" means the Recipient's Public Utilities Board.
27. "Training" means in respect of the Category in the table of Section IV. A. 2 of Schedule 2 to this Agreement, reasonable travel, room, board and per diem expenditures incurred by trainers and trainees in connection with their training and by non-consultant training facilitators, course fees, workshops and travel study tours, training facility rentals, and training material preparation, acquisition, reproduction and distribution expenses not otherwise covered under said section.
28. "TUC" means Teinainano Urban Council, an urban local council located  
in South Tarawa.