

**The World Bank**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
INTERNATIONAL DEVELOPMENT ASSOCIATION1818 H Street N.W.  
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January 12, 2011

H.E. Mr. Olusegun O. Aganga  
Honorable Minister  
Federal Ministry of Finance  
Ahmadu Bello Way  
Central Business District  
Abuja  
Federal Republic of Nigeria

Mrs. Jaji Olabisi Bolanle  
Director  
Policy Analysis, Monitoring and Inspectorate Department  
Federal Ministry of Environment  
Mabushi, Abuja, Federal Capital Territory  
Federal Republic of Nigeria

Re: GEF-NPFE Grant No.TF 098390  
National Portfolio Formulation Exercise for the Federal Republic  
of Nigeria

Dear Hon. Aganga and Mrs. Bolanle:

In response to the request for financial assistance made on behalf of the Federal Republic of Nigeria ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development ("World Bank"), represented by the Chief Executive Officer/Chairperson ("CEO") of the Global Environment Facility ("GEF"), proposes to extend to the Recipient a grant from the National Portfolio Formulation Exercise ("NPFE") window of the GEF trust fund in an amount not to exceed thirty thousand United States Dollars (U.S.\$30,000) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project"). This Grant is funded out of the GEF trust fund for which the World Bank, as trustee of the fund, receives periodic contributions. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the Recipient may withdraw the Grant proceeds subject to the availability of such funds.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement. In conformity with the understanding reflected in para. 21 of GEF Council paper on the policies and procedures for the execution of selected GEF activities, including NPFE (GEF/C.38/6/Rev.1), the Recipient also acknowledges that, if any of the projects/programs identified as a result of the Project are financed with GEF funds, the projects/programs in question will have to comply with applicable environmental and social requirements.

Please confirm the Recipient's agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the countersigned copy of this Agreement within thirty (30) days after the date of signature of this Agreement by the World Bank, unless the World Bank shall have established a later date for such purpose.

Very truly yours,  
INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

By //S// Ramesh Ramankutty  
for Monique Barbut  
CEO/Chairperson, Global Environment Facility

AGREED:  
FEDERAL REPUBLIC OF NIGERIA

By //s// Jaji Olabisi Bolanle  
Authorized Representative  
Name Jaji, Olabisi Bolanle (Mrs)  
Title Director, Policy Analysis, Monitoring and Inspectorate  
Date February 8, 2011

Enclosures:

- (1) Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated July 31, 2010.
- (2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006.

**Article I**  
**Standard Conditions; Definitions**

1.01. **Standard Conditions.** 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. **Definitions.** 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**  
**Project Execution**

2.01. **Project Objective and Description.** The objective of the Project is to enable the Recipient to conduct a broad consultation process to set priorities for GEF resource programming covering the GEF 5<sup>th</sup> replenishment period. The Project consists of the following activities: carrying out of consultative meetings and workshops with the participation of a broad range of stakeholders, including government ministries, civil society and community-based organizations involved in national GEF policy and programming, for the purpose of developing a national portfolio formulation document describing the Recipient’s priorities and projects/programs to be proposed for financing under the GEF 5<sup>th</sup> replenishment period.

2.02. **Project Execution Generally.** The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project through its Federal Ministry of Environment in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 (“Anti-Corruption Guidelines”), with the modifications set forth in Section II of the Appendix to this Agreement; and (c) this Article II.

2.03. **Donor Visibility and Visit.** (a) The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the GEF’s support for the Project.

(b) For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the request of the World Bank, represented by the GEF CEO, enable GEF representatives to visit any part of the Recipient’s territory for purposes related to the Project.

2.04. **Project Monitoring, Reporting and Evaluation.** (a) The Recipient shall monitor and evaluate the progress of the Project in accordance with the provisions of Section 2.06 of the Standard Conditions. Without limitation to the foregoing, the Recipient shall furnish to the World Bank the national portfolio formulation document referred to in Section 2.01 of this Agreement not later than one month before the Closing Date specified in Section 3.03 of this Agreement.

2.05. **Financial Management.** (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Such audit of the Financial Statements shall cover the entire period during which withdrawals from the Grant Account were made. The audited Financial Statements for such period shall be furnished to the World Bank not later than three months after the end of such period.

2.06. **Procurement**

(a) **General.** All consultants' 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 Sections I (excluding paragraph 1.24) and IV of the "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" published by the World Bank in May 2004 and revised in October 2006 and May 2010 ("Consultant Guidelines").

(b) **Definitions.** The capitalized terms used in the following paragraphs of 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 Consultant Guidelines.

(c) **Particular Methods of Procurement of Consultants' Services.** The following methods may be used for the procurement of consultants' services for those assignments which the World Bank agrees meet the requirements set forth in the Consultant Guidelines for their use: (A) Selection based on Consultants' Qualifications; (B) Single-source Selection; (C) Selection of Individual Consultants; and (D) Sole Source Procedures for the Selection of Individual Consultants.

(d) **Review by the World Bank of Procurement Decisions.** All contracts shall be subject to Post Review by the World Bank.

**Article III  
Withdrawal of Grant Proceeds**

3.01. **Eligible Expenditures.** (a) 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 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 100% of Eligible Expenditures consisting of consultants' services and meetings and workshops, inclusive of Taxes.

(b) For the purposes of this Section, the term "meetings and workshops" means the costs associated with the preparation and conduct of meetings and workshops pursuant to Section 2.01 of this Agreement, including travel, accommodation and subsistence costs for meeting and workshop participants, rental of meeting and workshop facilities and equipment, communication costs associated with the meetings and workshops, and preparation and reproduction of meeting

and workshop materials and other costs directly related to the preparation and implementation of meetings and workshops.

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient except that withdrawals up to an aggregate amount not to exceed 20% of the total amount of the Grant may be made for payments made prior to this date but on or after September 15, 2010, for Eligible Expenditures.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is 8 months after the date of countersignature of this Agreement by the Recipient.

#### **Article IV Recipient's Representative; Addresses**

4.01. **Recipient's Representative.** The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its Federal Ministry of Environment.

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

Policy Analysis, Monitoring and Inspectorate Department  
Federal Ministry of Environment  
Mabushi, Abuja, Federal Capital Territory  
Federal Republic of Nigeria

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

International Bank for Reconstruction and Development  
c/o CEO/Chairperson, Global Environment Facility  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

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

**APPENDIX**  
**Modifications to the Anti-Corruption Guidelines**

The modifications to the Anti-Corruption Guidelines are as follows:

1. Section 5 is re-numbered as Section 5(a) and a new Section 5(b) is added to read as follows:

“...(b) These Guidelines also provide for the sanctions and related actions to be imposed by the Bank on Borrowers (other than the Member Country) and all other individuals or entities who are recipients of Loan proceeds, in the event that the Borrower or the individual or entity has been debarred by another financier as a result of a determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

2. Section 11(a) is modified to read as follows:

“... (a) sanction in accordance with prevailing Bank’s sanctions policies and procedures (fn13) a Borrower (other than a Member Country) (fn 14) or an individual or entity, including (but not limited to) declaring such Borrower, individual or entity ineligible publicly, either indefinitely or for a stated period of time: (i) to be awarded a Bank-financed contract; (ii) to benefit from a Bank-financed contract, financially or otherwise, for example as a sub-contractor; and (iii) to otherwise participate in the preparation or implementation of the project or any other project financed, in whole or in part, by the Bank, if at any time the Bank determines (fn 15) that such Borrower, individual or entity has engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in connection with the use of loan proceeds, or if another financier with which the Bank has entered into an agreement for the mutual enforcement of debarment decisions has declared such person or entity ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

Footnotes:

“13. An individual or entity may be declared ineligible to be awarded a Bank financed contract upon completion of sanctions proceedings pursuant to the Bank’s sanctions policies and procedures, or under the procedures of temporary suspension or early temporary suspension in connection with an ongoing sanctions proceeding, or following a sanction by another financier with whom the Bank has entered into a cross debarment agreement, as a result of a determination by such financier that the firm or individual has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

“14. Member Country includes officials and employees of the national government or of any of its political or administrative subdivisions, and government owned enterprises and agencies that are

not eligible to bid under paragraph 1.8(b) of the Procurement Guidelines or participate under paragraph 1.11(c) of the Consultant Guidelines.”

“15. The Bank has established a Sanctions Board, and related procedures, for the purpose of making such determinations. The procedures of the Sanctions Board sets forth the full set of sanctions available to the Bank. In addition, the Bank has adopted an internal protocol outlining the process to be followed in implementing debarments by other financiers, and explaining how cross-debarments will be posted on the Bank’s website and otherwise be made known to staff and other stakeholders.”