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**GEF GRANT NUMBER TF097347- NG**

# **Global Environment Facility Grant Agreement**

**(Lagos Urban Transport Project 2)**

**between**

**FEDERAL REPUBLIC OF NIGERIA**

**and**

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

**Dated November 25, 2010**

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**GEF GRANT NUMBER TF097347- NG**

**GLOBAL ENVIRONMENT FACILITY  
GRANT AGREEMENT**

AGREEMENT dated November 25, 2010, entered into between: FEDERAL REPUBLIC OF NIGERIA (“Recipient”); and the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“World Bank”), acting as an implementing agency of the Global Environment Facility (“GEF”).

The Recipient and the World Bank hereby agree as follows:

**Article I  
Standard Conditions; Definitions**

- 1.01. The Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated July 1, 2008 (“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, in this Agreement or in the IDA Financing Agreement.

**Article II  
The Project**

- 2.01. The Recipient declares its commitment to the objective of the project described in Schedule 1 to this Agreement (“Project”). To this end, the Recipient shall cause LAMATA to carry out the Project in accordance with the provisions of Article II of the Standard Conditions and the LAMATA GEF Project Agreement.
- 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 four million five hundred thousand (\$4,500,000) (“Grant”) to assist in financing Parts A.5, B.5 and B.6 of the Project.
- 3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.

- 3.03. The Grant is funded out of the abovementioned 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) LAMATA's Legislation has been amended, suspended, abrogated, repealed, or waived so as to affect materially and adversely the ability of LAMATA to perform any of its obligations under the LAMATA GEF Project Agreement.
  - (b) LAMATA has failed to perform any obligation under the LAMATA GEF Project Agreement.
  - (c) As a result of events which have occurred after the date of this Agreement, an extraordinary situation has arisen which makes it improbable that the LAMATA will be able to perform its obligations under the LAMATA GEF Project 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 IDA Financing Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it have been fulfilled.
  - (b) The execution and delivery of this Agreement on behalf of the Recipient, and the LAMATA GEF Project Agreement on behalf of the Project Implementing Entity, have been duly authorized or ratified by all necessary governmental action.
  - (c) The First GEF Subsidiary Agreement has been executed on behalf of the Recipient and Lagos State in accordance with the provisions of Section I.B.1(a) of Schedule 2 to this Agreement.

- (d) The Second GEF Subsidiary Agreement has been executed on behalf of Lagos State and LAMATA in accordance with the provisions of Section I.B.1(b) of the Schedule 2 to this Agreement

**Article VI**  
**Recipient's Representative; Addresses**

6.01. The Recipient's Representative is the Federal Minister of Finance.

6.02. The Recipient's Address is:

The Honorable Minister  
Federal Ministry of Finance  
Ahmadu Bello Way  
Central Business District  
Abuja, Nigeria

Facsimile:

234 9 6273609

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  
Washington, D.C.

248423 (MCI) or  
64145 (MCI)

1-202-477-6391

AGREED at Abuja, Federal Republic of Nigeria as of the day and year first above written.

**FEDERAL REPUBLIC OF NIGERIA**

**By: /s/ Olusegun O. Aganga**

**Authorized Representative**

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

**By: /s/ Onno Ruhl**

**Authorized Representative**

## **SCHEDULE 1**

### **Project Description**

The objectives of the Project are to: (i) improve passengers' mobility along selected priority road corridors in the Lagos Metropolitan Area; and (ii) promote a shift to more environmentally sustainable urban transport modes.

The Project consists of the following Parts:

#### **Part A: Institutional Development and Capacity Building**

1. Enhancement of technical skills and expertise of staff of LAMATA, bus operators and other agencies involved in urban transportation in managing urban transportation through provision of appropriate training, study tours and implementation of twinning arrangements with suitable counterpart organizations.
2. Construction of an adequate building to house LAMATA's headquarters' offices and acquisition of furniture and equipment needed to enhance the efficiency of the said corporate facilities.
3. Improvement and upgrading of LAMATA's institutional databases and other relevant management systems and related management tools.
4. Enhancement of general transport management through establishment of transport planning units in at least three local government areas, including provision of technical and logistical support and training to sustain the operations of the said units.
5. Carrying out of studies aimed at improving delivery of public transport services for the city of Kano and provision of training programs related thereto.

#### **Part B: Improvement of Public Transport Infrastructure and Enhancement of Traffic Management Systems**

1. Construction of, and supervision activities for about 27 km of, bus rapid transit infrastructure stretching from Oshodi to Mile 2 to Obalende, including development and installation of traffic management systems.
2. Construction of, and supervision activities for about 22 km of, bus rapid transit infrastructure stretching from Oshodi to Mile 12 to Ikorodu, including development and installation of traffic management systems.

3. Carrying out of alternative mass transit studies relating to bus rapid transit systems, simpler application of bus priority schemes, light rail or metro rail systems and options for attracting suitable private capital to sustain an expansion of adequate mass transit systems.
4. Development and implementation of a service and operations plan aimed at improving the flow of passengers at terminals and at key stations, including trunk alignments and carrying out of studies for identification of new bus routes and modal integration facilities.
5. Formulation and implementation of appropriate consultations, communications and media strategies aimed at fostering a better understanding and appreciation of benefits deriving from the bus rapid transit system and promoting its further use by the public at large.
6. Formulation and implementation of an improved service plan framework and rationalization of system operations.

**Part C: Improvement of Lagos State Metropolitan Road Network**

1. Carrying out of routine maintenance on the Declared Road Network.
2. Carrying out of periodic maintenance on about 12 km of degraded strategic roads and enhancing the capacity of LAMATA's pavement management system including data collection and upgrading.
3. Rehabilitation of about 5 km of structurally damaged strategic roads.

**Part D: Project Management and Monitoring**

Provision of logistical support and technical advisory services required to sustain implementation of the Project, including the monitoring of its outcomes, institutional, technical, financial and procurement audits, the implementation of social and environmental management measures and the monitoring of air quality along bus rapid transit corridors.

## SCHEDULE 2

### Project Execution

#### Section I. Institutional and Other Arrangements

##### A. Institutional Arrangements

1. The Recipient shall ensure that the Project Implementing Entities carry out their respective obligations under the Project Agreements in accordance with the PIM; and, except as the World Bank shall otherwise agree in writing, shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof; provided, however, that in the event of any conflict between the provisions of the PIM and those of this Agreement or the Project Agreements, the provisions of this Agreement and the Project Agreements shall prevail.
2. Annual Work Plans and Budgets
  - (a) The Recipient shall prepare (in part on the basis of the proposed annual work plans and budgets prepared by LAMATA pursuant to Section I.A.2 of the Schedule to the LAMATA GEF Project Agreement) and furnish to the World Bank for its approval, not later than November 30 in each year during the implementation of the Project or such later date as the World Bank may agree, annual work plans and related budgets containing all activities proposed to be carried out under the Project in the following calendar year.
  - (b) The Recipient shall afford the World Bank a reasonable opportunity to exchange views with the World Bank on each such proposed annual work plan and related budget and thereafter, shall ensure the implementation, monitoring and evaluation of such annual work plan and related budget as shall have been approved by the World Bank, in accordance with the provisions set forth in this Agreement and in more detail in the Project Implementation Manual and the GEF Subsidiary Agreements.

##### B. Subsidiary Agreement

1. To facilitate the carrying out of the Project, the Recipient shall:
  - (a) make the proceeds of the Grant available to Lagos State on grant basis under a subsidiary agreement to be entered into between the Recipient and Lagos State, under such terms and conditions which shall have been approved by the World Bank.



(b) ensure that Lagos State makes available to LAMATA, the proceeds of the Grant made available to it on a grant basis under a subsidiary agreement to be entered into between the Lagos State and LAMATA, under terms and conditions which shall have been approved by the World Bank.

2. The Recipient shall ensure that its rights under the First GEF Subsidiary Agreement and the rights of Lagos State under the Second GEF Subsidiary Agreement shall be exercised in such manner as to protect the interests of the Recipient, Lagos State and the World Bank and to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, the Recipient shall ensure that neither of the Subsidiary Agreements nor any of their respective provisions is assigned, amended, abrogated or waived.

**C. Anti-Corruption**

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

**D. Safeguards**

1. Except as otherwise agreed in writing by the World Bank, the Recipient shall ensure that:
  - (a) the Project is carried out in accordance with the provisions of the ESMF and RPF and any EMPs and RAPs;
  - (b) if any Annual Work Plan would, pursuant to the ESMF or RPF, require the adoption of an EMP and/or RAP, then no activities included in the Annual Work Plan shall be implemented unless and until an EMP and/or RAP, as the case may be, (i) is prepared, in accordance with the ESMF or RPF and furnished to the World Bank for review and approval, and (ii) is approved by the World Bank; and
  - (c) in the case of any resettlement activity involving Displaced Persons, no displacement or restriction of access to legally designated parks and protected areas shall occur before necessary resettlement measures in accordance with the RAP are implemented, including, in the case of displacement, full payment to Displaced Persons of compensation and of other assistance required for relocation, prior to displacement.
2. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall, in accordance with terms of reference satisfactory to the World Bank: (a) monitor the status of compliance with the ESMF, RPF, and all EMPs and RAPs; and (b) prepare quarterly reports on the results of such

monitoring activities (based in part on the reports for the same period to be furnished by LAMATA to Lagos State pursuant to Section I.C.2 of the LAMATA GEF Project Agreement and by Lagos State to the Recipient pursuant to Section I.C.3 of the Schedule to the Lagos State GEF Project Agreement), and furnish the same to the Association, giving details of:

- (a) measures taken in furtherance of such ESMF, RPF, EMPs and RAPs;
- (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such ESMF, RPF, EMPs and RAPs; and
- (c) remedial measures taken or required to be taken to address such conditions.

Thereafter, the Recipient shall ensure the implementation of such remedial measures, taking into account the views of the World Bank thereon.

**C. Anti-Corruption**

The Recipient shall ensure, and cause the Project Implementing Entity to ensure, that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

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

**A. Project Reports; Completion Report**

- 1. (a) The Recipient shall ensure the monitoring and evaluation of the progress of the Project and the preparation of Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators set forth below in sub-paragraph (b) of this paragraph. Each Project Report shall cover the period of one calendar quarter, and shall be furnished to the World Bank not later than fifty five (55) days after the end of the period covered by such report.
- (b) The performance indicators referred to above in sub-paragraph (a) consist of the following:
  - (i) Reduction of travel time along BRT corridors;
  - (ii) Reduction of a household's expenditures on transport along BRT corridors;
  - (iii) Increase in the number of passengers carried per standard bus per day;

- (iv) Length of roads rehabilitated on Lagos metropolitan network;
  - (v) Increase in the percentage of trips made by BRT among households owning motorbikes or cars;
  - (vi) Reduction of carbon dioxide emissions from vehicles along BRT corridor;
  - (vii) Number of direct beneficiaries by gender; and
  - (viii) Number of indirect beneficiaries by gender.
2. The Recipient shall ensure the preparation of 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 months after the Closing Date.

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

1. The Recipient shall maintain a financial management system in accordance with the provisions of Section 2.07 of the Standard Conditions.
2. The Recipient shall prepare and furnish to the World Bank interim unaudited financial reports for the Project 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 fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six months after the end of such period.

**Section III. Procurement**

**A. General**

1. **Procurement and Consultant Guidelines.** All goods and services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:
- (a) Section I of the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the World Bank in May 2004 and revised in October 2006 (“Procurement Guidelines”) in the case of goods, and Sections I and IV of the “Guidelines: Selection and Employment of

Consultants by World Bank Borrowers” published by the World Bank in May 2004 and revised in October 2006 (“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**

- 1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods shall be procured under contracts awarded on the basis of International Competitive Bidding.
- 2. **Other Methods of Procurement of Goods.** The following table specifies the methods of procurement, which may be used for goods. The Procurement Plan shall specify the circumstances under which such methods may be used.

<u>Procurement Methods</u>
(a) National Competitive Bidding
(b) Shopping
(c) Direct Contracting

**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 table specifies methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants’ services. The Procurement Plan shall specify the circumstances under which such methods may be used.

<b>Procurement Methods</b>
(a) Quality-Based Selection
(b) Single Source Selection
(c) Selection Based on the Consultants' Qualifications
(d) Individual Consultants
(e) Least-Cost Selection

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

Except as the World Bank shall otherwise determine by notice to the Recipient, the following contract shall be subject to Prior Review by the World Bank: (a) each contract procured on the basis of International Competitive Bidding; (b) each contract for goods estimated to cost the equivalent of \$750,000 or more and each contract for works estimated to cost \$5,000,000 or more; (c) each contract procured on the basis of Direct Contracting; (d) each contract for consultants' services provided by a firm estimated to cost the equivalent of \$200,000 or more; (e) each contract for consultants' services provided by individual consultants estimated to cost the equivalent of \$50,000 or more; and (f) each contract for consultants' services procured on the basis of Single Source Selection. 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, consultants' services under Part A.5 of the Project.	1,000,000	100%
(2) Goods, works and consultants' services under Parts B.5 and B.6 of the Project	3,500,000	100%
<b>TOTAL AMOUNT</b>	4,500,000	

**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 June 30, 2015.

## **APPENDIX**

### **Definitions**

1. “First GEF Subsidiary Agreement” means the agreement referred to in Section I.B of Schedule 2 to this Agreement pursuant to which the Recipient shall make the proceeds of the Grant available to Lagos State.
2. “IDA Financing” means an amount of one hundred nineteen million six hundred thousand Special Drawing Rights (SDR 119,600,000) provided by IDA to assist in the financing of the Project.
3. “IDA Financing Agreement” means the agreement between the Recipient and IDA providing for the IDA Financing.
4. “LAMATA GEF Project Agreement” means the agreement of even date with this Agreement between the World Bank and LAMATA.
5. “Lagos State GEF Project Agreement” means the agreement of even date with this Agreement between the World Bank and Lagos State.
6. “Project Implementing Entity” means the Lagos Metropolitan Area Transport Authority, established and operating pursuant to the Project Implementing Entity’s Legislation, and which is party to the GEF Project Agreement.
7. “Project Implementing Entity’s Legislation” means LAMATA Law No. 28 dated 16<sup>th</sup> April, 2007 of Lagos State.
8. “Second GEF Subsidiary Agreement” means the agreement referred to in Section I. B of Schedule 2 to this Agreement and Section I.A.3 of the Schedule to the Lagos State Project Agreement pursuant to which Lagos State shall make the proceeds of the Grant available to LAMATA.