

Public Disclosure Authorized

CONFORMED COPY

---

---

GRANT NUMBER H653-GW  
GEF TRUST FUND GRANT NUMBER TF099597-GW

# Financing Agreement

(West Africa Regional Fisheries Program (WARFP) –  
Guinea-Bissau Project under the First Phase of the WARFP)

between

REPUBLIC OF GUINEA-BISSAU

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated May 2, 2011

---

---

**GRANT NUMBER H653-GW  
GEF TRUST FUND GRANT NUMBER TF099597-GW**

**FINANCING AGREEMENT**

AGREEMENT dated May 2, 2011, entered into between the REPUBLIC OF GUINEA BISSAU (“Recipient”) and the INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”).

WHEREAS (A) the Association, by extending financial assistance in 2009 to the Republic of Cape Verde, the Republic of Liberia, the Republic of Senegal and the Republic of Sierra Leone, has provided support to precedent activities under the first phase of the West Africa Regional Fisheries Program (“Program”, as further defined in Section I of the Appendix to this Agreement) which aims to sustainably increase the overall wealth generated by the exploitation of the marine fisheries resources of West Africa and the proportion of that wealth captured by West African countries, by: (i) strengthening the countries’ capacity to sustainably govern and manage their fisheries; (ii) reducing illegal fishing; and (iii) increasing the value and profitability generated by fish resources and the proportion of that value captured by the countries;

(B) the Recipient, having satisfied itself as to the feasibility and priority of the project (“Project”, as described in Schedule 1 hereto) under the first phase of the Program, has requested the Association to assist in the financing of the Project; and

(C) Parts 2.3 and 4.2 of the Project will be carried out by the *Commission Sous-Régionale des Pêches* (“CSRP”, as further defined in Section I of the Appendix to this Agreement) with the Recipient’s assistance and, as part of such assistance, the Recipient will make a portion of the proceeds of the grant provided for in Article II of this Agreement available to CSRP as set forth in this Agreement; and

(D) the International Bank for Reconstruction and Development (“Bank”), acting as Implementing Agency of the Global Environment Facility (“GEF”), shall extend to the Recipient a grant in an amount not to exceed two million United States Dollars (USD 2,000,000) (“GEF Grant”) to assist the Recipient in financing part of the cost of Parts 1 and 4.1 of the Project on the terms and conditions set forth in the co-financing agreement of even date herewith entered into between the Recipient and the International Bank for Reconstruction and Development,, acting as Implementing Agency of the GEF (“GEF Trust Fund Grant Agreement”);

WHEREAS the Association has also agreed, on the basis, *inter alia*, of the foregoing, to extend the grant provided for in Article II of this Agreement to the Recipient upon the terms and conditions set forth in this Agreement and in the Project Agreement of even date herewith between the Association and CSRP (“Project Agreement”);

NOW THEREFORE the Recipient and the Association hereby agree as follows:

**ARTICLE I — GENERAL CONDITIONS; DEFINITIONS**

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Preamble or in the Appendix to this Agreement.

**ARTICLE II — FINANCING**

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equivalent to three million nine hundred thousand Special Drawing Rights (SDR3,900,000) (“Financing”) to assist in financing the Project.
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Payment Dates are June 15 and December 15 in each year.
- 2.05. The Payment Currency is the Dollar.

**ARTICLE III — PROJECT**

- 3.01. The Recipient declares its commitment to the objective of the Project and the Program. To this end, the Recipient shall: (i) carry out Parts 1, 2.1, 2.2, 3 and 4.1 of the Project through the Fisheries Secretariat; and (ii) pursuant to the Subsidiary Grant Agreement, cause Parts 2.3 and 4.2 of the Project to be carried out by CSRP, all in accordance with the provisions of Article IV of the General Conditions and the Project Agreement.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association 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 IV — REMEDIES OF THE ASSOCIATION**

- 4.01. The Additional Events of Suspension consist of the following:
- (a) The CRSP Treaty has been amended, suspended, abrogated, supplemented, replaced or waived so as to affect materially and adversely the ability of CRSP to perform any of its obligations under the Project Agreement or to achieve the objective of the Project.
  - (b) The Fisheries Legislation has been amended, suspended, abrogated, repealed, supplemented, replaced or waived so as to render it in contradiction with the Recipient's applicable international obligations or so as to otherwise affect materially and adversely the ability of the Recipient or CSRP to perform any of its obligations under this Agreement or the Project Agreement, as the case may be, or to achieve the objective of the Project.
  - (c) The Association has suspended in whole or in part the right of any of the Participating Countries (other than the Recipient) to make withdrawals under its respective Participating Country Financing Agreement and/or Participating Country GEF Trust Fund Grant Agreement.
- 4.02. The Co-financing Deadline for the effectiveness of the GEF Trust Fund Grant Agreement is July 1, 2011.

#### **ARTICLE V — EFFECTIVENESS; TERMINATION**

- 5.01. The Additional Conditions of Effectiveness consist of the following:
- (a) The Subsidiary Grant Agreement, in form and substance satisfactory to the Association, has been executed on behalf of the Recipient and CSRP.
  - (b) The Recipient shall have established the Policy and Planning Office in accordance with the provisions of Section I.A.I.1 of Schedule 2 to this Agreement and under terms of reference and with staff in numbers and with qualifications satisfactory to the Association. As part of such staffing, there shall be in place for the Policy and Planning Office: (i) the Project Coordinator; and (ii) a financial management specialist and a procurement specialist, all under terms of reference and with qualifications and experience satisfactory to the Association.

- 5.02. The Additional Legal Matter consists of the following, namely, that the Subsidiary Grant Agreement has been duly authorized or ratified by the Recipient and the Project Implementing Entity and is legally binding upon the Recipient and the Project Implementing Entity in accordance with its terms.
- 5.03. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
- 5.04. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the date of this Agreement.

**ARTICLE VI — REPRESENTATIVE; ADDRESSES**

- 6.01. The Recipient's Representative is its Minister of Economy, Planning and Regional Integration.

- 6.02. The Recipient's Address is:

Av. Amilcar Cabral no. 37  
Caixa Postal No. 6  
Bissau  
Republic of Guinea-Bissau

Facsimile:

(245) 320-48-46/48

- 6.03. The Association's Address is:

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

Cable:

Telex:

Facsimile:

INDEVAS  
Washington, D.C.

248423 (MCI)

(1) 202-477-6391

AGREED at Dakar, Republic of Senegal, as of the day and year first above written.

REPUBLIC OF GUINEA-BISSAU

By

/s/ Mario Cabral  
Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

/s/ McDonald Benjamin  
Authorized Representative

## **SCHEDULE 1**

### **Project Description**

The objective of the Project is to strengthen the capacity of the Recipient to govern and manage targeted fisheries, reduce illegal fishing, and increase local value added to fish products.

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

#### **Part 1: Good Governance and Sustainable Management of Fisheries**

Carrying out of a program designed to build the capacity of the Recipient and stakeholders to implement in the Recipient's territory a shared approach to marine fish resources so they are used in a manner that is environmentally sustainable, socially fair and economically profitable, entailing the provision of consultants' services, training, goods and equipment and the financing of Operating Costs required for the following:

##### **1. Strengthened Policy and Regulatory Framework for the Use of Fish Resources**

Carrying out by the Recipient of a comprehensive review and adaptation of its policy and regulatory framework for fisheries with a view to achieve a more sustainable and profitable use of its fish resources, and including: (i) the review of the institutional arrangements necessary to finalize and implement the National Strategic Plan and its medium-term goals; (ii) an encompassing revision of the general fisheries laws, so as to incorporate updated regulations on industrial and artisanal fisheries, special regimes for conservation areas, co-management arrangements, vessel monitoring systems, and fish inspection and quality control; (iii) the development of revised regulations for the industrial fisheries, MCS and Fish Inspection Systems, including rules supporting the development and implementation of future Fisheries Management Plans (FMPs), the production of revised licensing arrangements favoring longer-term commitments and access rights, and the establishment of catch and reporting requirements for vessels; (iv) the preparation of annual FMPs for the coastal shrimp, cephalopod and demersal fish species, including an update of the existing FMPs for the industrial fisheries and the production of new FMPs for the artisanal fisheries; (v) the carrying out of a study to determine the policy/regulatory frameworks required to incentivize industrial fishing companies to invest on land (nationally) in exchange for secured extended fishing rights (access); and (vi) the strengthening of the Recipient's coordination of development aid and international/private sector agreements supporting the fisheries sector assistance, including provision of training to the Fisheries Secretariat for the implementation of the revised policy and regulatory framework resulting under this Part 1.1.

2. Assessment of the Biological and Economic Status of Key Fish Stocks

Development by the Recipient of a sound and transparent framework for decision-making by all the users of fish resources, entailing: (i) an assessment of coastal shrimp, cephalopod and demersal fish stocks, with a special focus on the Common Management Zone; (ii) the training of the Fisheries Secretariat staff in data collection techniques at landing sites and as observers on offshore fishing vessels (including foreign operators) so as to provide continuous monitoring of the exploitation status of the main fish stocks, to inform management decisions, and to develop industrial and artisanal Fisheries Management Plans; (iii) the development of a statistical sampling system for the small-scale fisheries; (iv) the carrying out of a study of the projected impacts of climate change on the key fish stocks and on coastal communities, including potential adaptation and mitigation measures; (v) the evaluation of the status of the health of the coastal ecosystems underpinning the fish stocks, including the Common Management Zone; (vi) the preparation and maintenance of a bioeconomic model analysis for the coastal shrimp, cephalopod and demersal fisheries; and (vii) the carrying out of a modeling exercise to test different management measures to determinate the one that sustainably maximizes the benefits in the fishery.

3. Development of Tools at the Community, National and Regional Level to Ensure Transparency and Accessibility of Basic Fisheries Management Information for Controlling Access to the Resources

Carrying out by the Participating Countries of a program to support increased transparency and accessibility to all stakeholders of key information for the governance and management of the use of the marine fish resources in West Africa, specifically through the development, installation and operation in the Recipient's territory of a dashboard of fisheries management indicators, comprising social, biological and economic statistics, linked to a regional information technology platform, and including the development and implementation of the rules and procedures to be followed for the proper collection and transmittal of information, for the regular maintenance and update of the system, and for the sharing of information with the public, and the linkage of the Recipient's national node of the dashboard to the regional information platform established at the Regional Coordination Unit.

4. Feasibility Study for the Nation-wide Extension of Pilot Co-management Partnerships for the Small-scale Fisheries

Carrying out by the Recipient of a study for the nation-wide extension of pilot co-management partnerships for the small-scale fisheries and a social assessment of fishing communities with the aim of developing additional co-management partnerships in the remainder of the Recipient's coastal fisheries on the basis of the country's specific conditions and regions.



## Part 2: Reduction of Illegal Fishing

### 1. Monitoring, Control and Surveillance Systems

Carrying out of a program designed to reduce the illegal fishing activities threatening the sustainable management of the Recipient's marine fish resources and the wealth they can generate for West Africa and to support the implementation of the National Fisheries Surveillance Strategy, through the implementation of appropriate and sustainable civilian-led surveillance of fishing activities along the Recipient's coast, consisting of:

### 2. Implementation of Sustainable Fisheries Surveillance Systems

- (a) Equipping of the fisheries monitoring center to be managed by the autonomous Fisheries Surveillance Unit to ensure it is able to access the dashboard to be developed under Part 1.3 of the Project, including the provision of communications systems, a satellite-based vessel monitoring system, a data reception platform, computer hardware and software, office materials and vehicles.
- (b) Equipping and operation of the Recipient's coastal surveillance stations located in Cacheu, Bubaque, Caravelha and Cacine, including the provision of updated communications systems, a satellite-based vessel monitoring system, a data reception platform, computer hardware and software, office materials and vehicles.
- (c) Development and operation of the Recipient's civilian-led patrol capacity at sea, through: (i) the rehabilitation, maintenance, operation and equipping of twelve (12) of FISCAP's rapid response vessels for surveillance activities in the inshore areas, including the provision of updated communications systems; (ii) the leasing during the first two years of Project implementation of a larger surveillance vessel for offshore operations, including the financing of its Operating Costs and a satellite-based vessel monitoring system; and (iii) the purchase of a coastal surveillance civilian patrol vessel.
- (d) Strengthening of the capacity of FISCAP's staff to operate the civilian-led surveillance and monitoring systems to be developed under this Part of the Project, including harmonization and development of curriculum and the provision of training for fisheries inspectors and observers and other personnel directly involved in fisheries surveillance operations.

3. Sustainability of the Operating Costs of the Monitoring, Control and Surveillance System

Carrying out by the Recipient of a study to determine suitable mechanisms to finance the operating costs of MCS activities, including the development of available financing options on the initial basis of retaining a percentage of the revenue generated from catching/prosecuting illegal canoes/vessels and, thereafter, on the basis of receiving a percentage of the funds from increased license fees and fishing agreements.

4. Strengthened Regional Collaboration for Monitoring, Control and Surveillance of Fishing

The carrying out by CSRP of a training program to assist the Participating Countries in their implementation of the Fish Catch Certification Scheme and their preparation of bilateral cooperation agreements, and the performance of periodic reviews and audits by an Independent Panel of Experts, of the fisheries surveillance activities financed under the Project.

Part 3: Increasing the Contribution of Marine Fish Resources to the Local Economies

Carrying out of a program to increase the benefits to West Africa from the marine fish resources, by means of increasing the share of the value-added captured in the region, including:

1. Upgrading of the Capabilities of Fish Inspection and Quality Control Department

Development of the Recipient's capacity for certifying fisheries' products exports through: (i) the establishment of a certified competent sanitary authority in the Recipient's territory for the export of fish products to the European markets and for the setting up of relevant protocols and standards for quality and traceability, encompassing the provision of the goods, laboratory equipment and equipment required for food safety inspection, consultants services and long-term training; and (ii) strengthening of the Fish Inspection and Quality Control Department in developing annual work plans and budgets.

2. Enabling Environment Conducive to Higher Values from Local Fish Products

Delivery by the Recipient of a comprehensive training program, including the provision of education materials, to the fishers carrying out activities along the Recipient's coast: (i) to improve product handling, processing/marketing, transport practices and sanitary measures and the maintenance of landing site equipment; and (ii) to access local commercial micro-finance opportunities for the purchase of fish preservation equipment and the maintenance of boats and fishing gear in good working order.

#### Part 4: Coordination, Monitoring and Evaluation and Program Management

Carrying out of a program to support the Participating Countries implement the Program in the context of the CSRP Strategic Action Plan, ensuring an accurate and independent monitoring and evaluation of results, and consisting of:

##### 1. National Implementation

The preparation by the Recipient of Annual Work Plans, including updating procurement plans and related budgets, the development of a management information system for the Project, and Project management, monitoring and evaluation, encompassing the provision of goods, works, consultants services and training and the financing of Operating Costs for a Policy and Planning Office.

##### 2. Regional Coordination

The carrying out of a program by CSRP to: (i) facilitate the harmonization of fisheries policy among the Participating Countries; (ii) monitor and evaluate Program investments and share information and results throughout the territories of the Participating Countries; (iii) implement ongoing communication activities to raise awareness about the Program and implementation progress; and (iv) provide implementation support to each of the Participating Countries, including the coordination of regional procurement.

## **SCHEDULE 2**

### **Project Execution**

#### **Section I. Implementation Arrangements**

##### **A. Institutional Arrangements**

##### **I. At the National Level**

##### **1. The Policy and Planning Office**

- (a) The Recipient, through the Fisheries Secretariat, shall maintain throughout Project implementation the Policy and Planning Office within its structure, under terms of reference satisfactory to the Association. The PPO shall be headed by the Project Coordinator and shall be composed of: (i) a fisheries monitoring, control and surveillance (MCS) specialist specially assigned to the implementation of Part 2 of the Project; (ii) a financial management specialist; (iii) a procurement specialist; (iv) an administrative assistant, all under terms of reference and with experience and qualifications satisfactory to the Association, and shall comprise any additional staff that may be necessary, particularly in the accounting and procurement areas, for the successful implementation of the Project.
- (b) The PPO shall be responsible for day-to-day Project coordination and implementation, including:
  - (i) preparing proposed Annual Work Plans for inclusion in the Project, and updating the Procurement Plan and related budgets and consolidated Project Reports, and their submission to CSRP;
  - (ii) developing a communication and outreach strategy;
  - (iii) establishing and maintaining of the Project management information system;
  - (iv) carrying out Project financial management; and
  - (v) monitoring and evaluating the Project and preparing Project progress reports and monitoring and evaluation reports for the meetings of the Steering Committee.

2. Project Steering Committee

- (a) The Recipient shall maintain throughout Project implementation, the Project Steering Committee with the responsibilities set forth below and with composition, functions and resources satisfactory to the Association:
- (b) The Project Steering Committee shall be chaired by the Director of Fisheries, and shall comprise, *inter alia*, representatives from the Recipient's Fisheries Secretariat; Ministry of Finance; Ministry of the Economy, Planning and Regional Integration; Ministry of Infrastructure; Ministry of Commerce, Tourism and Industry; Secretariat of Transport; Secretariat of the Environment; the Navy; the Institute for Biodiversity and Protected Areas (IBAP); the National Association of Artisanal Fishermen (ANAPA), the National Association of Fish Processors (ANEP); and the National Association of Women Fish Traders (AMAE). It shall meet at least twice a year, and its responsibilities will include:
  - (i) reviewing the proposed Annual Work Plans for the Project, as well as the updated Procurement Plan and related budgets prepared by the PPO;
  - (ii) overseeing overall performance of the Project and providing policy guidance; and
  - (iii) identifying necessary Project adjustments based on monitoring and evaluation results.

II. At the Regional Level

The Recipient shall, together with the other Participating Countries, maintain throughout Project implementation, the Regional Steering Committee and the Regional Coordination Unit within CSRP (RCU), with the responsibilities and procedures set forth below and with composition, functions and resources satisfactory to the Association:

1. Regional Steering Committee

- (i) The Regional Steering Committee shall comprise of the directors of the departments responsible for fisheries in the territory of each of the Participating Countries, shall be chaired by one of such directors on a rotating basis, and shall meet at least twice a year. The RCU shall act as secretariat for the Regional Steering Committee.

- (ii) The Regional Steering Committee shall be responsible for:
  - (A) reviewing activities proposed to be carried out by CSRP under the Program, including the Project, and the related procurement plans and budgets therefor;
  - (B) providing overall policy guidance on the Program;
  - (C) developing mechanisms designed to strengthen the collaboration of the Participating Countries in respect of the Program; and
  - (D) identifying necessary Program adjustments based on monitoring and evaluation results.

2. Regional Coordination Unit

The RCU shall be responsible for coordinating the implementation of CSRP's and the Participating Countries' activities under the Program, including the Project.

3. Project Implementation Manual

The Recipient, through the Fisheries Secretariat, shall: (i) take all action required to carry out Parts 1, 2.1, 2.2, 3 and 4.1 of the Project in accordance with the provisions and requirements set forth or referred to in the Project Implementation Manual; (ii) submit recommendations to the Association for its consideration for changes and updates of the Project Implementation Manual as they may be necessary or advisable during Project implementation in order to achieve the objective of Parts 1, 2.1, 2.2, 3 and 4.1 of the Project; and (iii) not assign, amend, abrogate or waive the Project Implementation Manual or any of its provisions without the Association's prior agreement. Notwithstanding the foregoing, if any of the provisions of the Project Implementation Manual is inconsistent with the provisions of this Agreement, the provisions of this Agreement shall prevail and govern.

**B. Subsidiary Grant Agreement**

- (a) For the purposes of carrying out Parts 2.3 and 4.2 of the Project, the Recipient shall make the proceeds of the Financing allocated from time to time to Category (1)(c) available to CSRP on a grant basis under a subsidiary grant agreement to be entered into between the Recipient and CSRP, under terms and conditions approved by the Association ("Subsidiary Grant Agreement").
- (b) The Recipient shall exercise its rights and carry out its obligations under the Subsidiary Grant Agreement in such manner as to protect the

interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Grant Agreement or any of its provisions.

**C. Anti-Corruption**

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

**D. Annual Work Plans**

1. The Recipient shall prepare, under terms of reference satisfactory to the Association, and furnish to the Association not later than January 15 in each calendar year, for the Association's consideration, a proposed work plan of activities to be included in the Project for the following calendar year, such plan to include an implementation schedule and budget and financing plan therefor. If any activities proposed for inclusion in the Project would, pursuant to the Environmental and Social Safeguard Framework, require the preparation of an Environmental and Social Impact Assessment (ESIA) or an Environmental and Social Management Plan (ESMP), as the case may be, the Recipient shall prepare and furnish, together with such proposed work plan, a draft of each such ESIA or ESMP, as the case may be.
2. The Recipient shall afford the Association a reasonable opportunity to review and exchange views with the Recipient on such proposed plan and any such ESIA or ESMP, as the case may be, and thereafter, shall implement with due diligence and efficiency such work plan and such ESIA or ESMP, as the case may be, as shall have been approved by the Association.

**E. Safeguards**

1. The Recipient shall ensure that the Project is implemented in accordance with the provisions of the Environmental and Social Management Framework and each of the Environmental and Social Impact Assessment (ESIA) or the Environmental and Social Management Plan (ESMP), as the case may be, in a manner satisfactory to the Association, and the Recipient shall not amend or waive any provision of the aforementioned documents without the prior written agreement of the Association.
2. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall collect, compile and furnish to the Association on a quarterly basis reports on the status of compliance with the Environmental and Social Management Framework and any Environmental and Social Impact Assessment

(ESIA) and/or any Environmental and Social Management Plan (ESMP), as the case may be, giving details of:

- (a) measures taken in furtherance of the Environmental and Social Management Framework and any of the ESIA or/and ESMP that has been prepared,
  - (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Environmental and Social Management Framework and any of the ESIA or/and ESMP that has been prepared, and
  - (c) remedial measures taken or required to be taken to address such conditions.
3. The Recipient shall promptly take all remedial measures referred to in paragraph 2 of this Section as shall have been agreed by the Association.
  4. The Recipient shall: (i) not later than September 30, 2012, undertake a social assessment of the impact of the Project on the management of its fisheries resources upon terms of reference satisfactory to the Association; (ii) on the basis thereon, implement measures satisfactory to the Association to minimize and mitigate adverse social impacts, if any, especially those affecting poor and vulnerable groups, (iii) adequately monitor and evaluate the carrying out of said measures in the implementation of the Project and maintain the Association suitably and timely informed of the progress thereon, including by means of information to be included in the quarterly reports referred to in paragraph 2 of this Section E.

**F. Monitoring, Control and Surveillance**

In order to ensure the proper implementation of Part 2 of the Project and more generally the monitoring, control and surveillance of its coastal fisheries in a manner designed to achieve the objective of the Program, the Recipient shall ensure at all times that:

1. All MCS activities carried out by the Recipient shall be under the control of FISCAP and shall be carried out by civilian authorities under terms of reference limited to fisheries surveillance.
2. In accordance with Section 4.06 of the General Conditions, the Recipient shall ensure that all goods, works, services and Operating Costs financed out of the proceeds of the Financing are used exclusively by civilian authorities for the purposes of the Project, and not for any military purpose, or for any criminal



investigation, prosecution or proceedings, or for any other purposes unrelated to the objectives of the Project.

3. Each surveillance mission carried out by the Recipient shall be:
  - (a) governed by detailed protocols prepared in accordance with terms of reference satisfactory to the Association, requiring that such missions be:
    - (i) under the operational command or authority of a civilian fisheries officer; and
    - (ii) conducted during a specific time period that is duly recorded and documented; and
  - (b) conducted by personnel who have been properly trained in the operation of any equipment used in the surveillance mission.
4. The Recipient shall ensure that all MCS activities carried out under the Project are audited periodically by the Independent Panel of Experts to be established under Part 2.3 of the Project and whose qualifications, experience and terms of reference are satisfactory to the Association. To this end, the Recipient shall take all measures required on its part, including provision of all information required and access to all relevant sites, to enable the said Independent Panel of Experts to conduct the audits required of them under and in the manner required pursuant to the Project Agreement.

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

### **A. Project Reports**

1. The Recipient shall monitor and evaluate the progress of Parts 1, 2.1, 2.2, 3 and 4.1 of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the National Monitoring and Evaluation Indicators. Each Project Report shall cover the period of (1) one calendar semester, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.
2. For purposes of Section 4.08(c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Association not later than four (4) months after the Closing Date.

**B. Mid-Term Review**

The Recipient shall:

- (a) maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with the National Monitoring and Evaluation Indicators, the carrying out of Parts 1, 2.1, 2.2, 3 and 4.1 of the Project and the achievement of the objective thereof;
- (b) prepare, under terms of reference satisfactory to the Association, and furnish to the Association, on or about September 30, 2012, a report integrating the results of the monitoring and evaluation activities and setting out the measures recommended to ensure the efficient carrying out of Parts 1, 2.1, 2.2, 3 and 4.1 of the Project and the achievement of the objective thereof during the period following such date; and
- (c) review with the Association, on or about November 30, 2012, or such later date as the Association shall request, the report referred to in the preceding paragraph (b), and, thereafter, to take all measures required to ensure the efficient completion of Parts 1, 2.1, 2.2, 3 and 4.1 of the Project and the achievement of the objective thereof, based on the conclusions and recommendations of the said report and the Association's views on the matter.

**C. Financial Management, Financial Reports and Audits**

- 1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.
- 2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association as part of the Project Report not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.
- 3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09(b) of the General Conditions. Each 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 Association not later than six (6) months after the end of such period.

**Section III. Procurement**

**A. General**

1. **Goods, Works and Non-Consulting Services.** All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association 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 table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods, works and non-consulting services. The Procurement Plan shall specify the circumstances under which such methods may be used:

<b>Procurement Method</b>	
(a)	National Competitive Bidding, subject to the additional procedures stipulated in the Annex to this Schedule
(b)	Shopping

**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)	Selection Based on Consultants' Qualifications
(b)	Individual Consultants
(c)	Sole-source basis for individual consultants

**D. Review by the Association of Procurement Decisions**

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

**Section IV. Withdrawal of the Proceeds of the Financing**

**A. General**

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall 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 Association 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 Financing ("Category"), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<b>Category</b>	<b>Amount of the Financing Allocated (expressed in SDR)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Works, goods, non-consulting services, consultants' services, training, , and Operating Costs:		
(a) under Parts 1 and 4.1 of the Project	400,000	23%
(b) under Parts 2.1 (except 2.1.1 (c)(iii)), 2.2 and 3 of the Project	1,150,000	100%
(c) under Parts 2.3 and 4.2 of the Project	320,000	100%
(d) under Part 2.1.1 (c)(iii) of the Project	580,000	100%
(2) Lease Payments	1,450,000	100%
<b>TOTAL AMOUNT:</b>	<b>3,900,000</b>	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
  - (a) for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed SDR130,000 equivalent may be made for payments made prior to this date but on or after January 31, 2011, for Eligible Expenditures under Category (1)(b) or
  - (b) under Category (1)(d), until and unless the Association shall have been satisfied, based on an exchange of views with the Recipient, with the cost-efficiency, technical specifications and fiscal sustainability of the proposed expenditures.
2. The Closing Date is June 30, 2016.

**ANNEX  
TO  
SCHEDULE 2**

For the purposes of following National Competitive Bidding (“NCB”) procedures in the procurement of goods, works and non-consulting services to be financed under the Financing, the following modifications and additions shall apply:

(i) Procedures

Four (4) weeks shall be provided for preparation and submission of bids, after the issuance of the invitation to bid or availability of the bidding documents, whichever is later.

(ii) Advertisement

Invitations to bid shall be advertised in the dg markets/undb and at least one widely circulated national daily newspaper.

(iii) Assessment of Bidders’ Qualifications

Minimum experience, technical and financial requirements of the bidders shall be explicitly stated in the bidding documents.

(iv) Bidding Documents

The Recipient shall use the Association’s Standard Bidding Documents in the procurement of goods, works and non-consulting services and other bidding documents, if any, acceptable to the Association shall be modified in order to meet the exceptions authorized under NCB.

(v) Bid Submission, Opening and Evaluation

(1) Bids shall be submitted in a single envelope containing the bidder’s qualification information, technical and price bids, which shall be opened simultaneously at the public bid opening.

(2) Bids shall be opened in public, immediately after the deadline for submission of bids. The name of the bidder, the total amount of each bid and any discounts offered shall be read aloud and recorded in the minutes of the public bid opening.

(3) The procedures shall include the publication of the results of evaluation and of the award of the contract, and provisions for bidders to protest.

- (4) No preference shall apply under National Competitive Bidding.
- (5) Eligible firms, including foreign firms, shall not be excluded from the competition.

## APPENDIX

### Section I. Definitions

1. “Annual Work Plans” means the annual work plans for the Project approved by the Association in accordance with the provisions of Section I.D of Schedule 2 to this Agreement and “Annual Work Plan” means any of the Annual Work Plans.
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. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
4. “Co-financing” means, for purposes of paragraph 11 of the Appendix to the General Conditions, an amount of \$2,000,000, to be provided by the Co-financier to assist in financing Part 1 of the Project.
5. “Common Management Zone” means the zone in the territorial sea and continental shelf boundary between the Recipient and the Republic of Senegal jointly exploited by these two countries pursuant to the treaty entitled “Management and Cooperation Agreement” dated October 14, 1993.
6. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits & Grants by World Bank Borrowers” published by the Bank in January 2011.
7. “CSRP” means the *Commission Sous-Régionale des Pêches*, the sub-regional fisheries commission established and operating pursuant to the CSRP Treaty (as hereinafter defined).
8. “CSRP Strategic Action Plan” means the 5-year strategy adopted by CSRP in December 2010 setting forth CSRP’s vision for the period 2011-2015 for the management of the West Africa fisheries resources.
9. “CSRP Treaty” means the inter-governmental *Convention portant Création de la Commission Sous-Régionale des Pêches*, dated March 29, 1985, entered into among the Recipient and the other member states of the CSRP.
10. “Environmental and Social Impact Assessment” and “ESIA” means a site-specific report, to be prepared in accordance with the parameters laid down in the ESMF (as hereinafter defined) and acceptable to the Association, identifying and assessing the potential environmental and social impacts of the activities to be



undertaken under Parts 1 and 2 of the Project, evaluating alternatives, and designing appropriate mitigation, management, and monitoring measures.

11. “Environmental and Social Management Framework” and “ESMF” means the environmental and social safeguard framework adopted by the Recipient on January 28, 2011, setting forth the procedures to be used for the preparation and approval of a site-specific Environmental and Social Impact Assessment and/or Environmental and Social Management Plan for any site where there exists environmental and/or social issues of a type and scale sufficient to trigger the Association’s safeguard policies.
12. “Environmental and Social Management Plan” and “ESMP” means a site-specific environmental and social management plan to be prepared in accordance with the parameters laid down in the ESMF and acceptable to the Association, setting forth a set of mitigation, monitoring, and institutional measures to be taken during the implementation and operation of Parts 1 and 2 of the Project to eliminate adverse environmental and social impacts, offset them, or reduce them to acceptable levels, and including the actions needed to implement these measures.
13. “Fish Catch Certification Scheme” means the certification scheme that will be required pursuant to the European Union Regulation No. 1005/2008 in order to access the European Union market after January 1, 2010.
14. “Fiscal Year” means the twelve (12) month period corresponding to any of the Recipient’s or CSRP’s fiscal years, which period commences on January 1 and ends on December 31 in each calendar year.
15. “Fish Inspection Systems” means processes and procedures for sampling and certifying fish catches to meet the European Union sanitary requirements.
16. “Fisheries Legislation” means the Recipient’s Decree/Law No. 6 A/2000 dated August 22, 2000, entitled “Fisheries Resources and Fisheries Law in the Maritime Waters of Guinea-Bissau”.
17. “Fish Inspection and Quality Control Department” means the division/services within the Fisheries Secretariat (as hereinafter defined) responsible for certifying that the Recipient’s fish products meet the hygiene standards for imports to the European Union and other importers.
18. “Fisheries Management Plan” and “FMP” means the Recipient’s regulatory instrument setting forth the total allowable catch limits and an allocation of secure access rights to targeted fisheries.

19. “Fisheries Secretariat” means the Recipient’s Secretary of State for Fisheries which is responsible for the development and implementation of the policy for the use of the Recipient’s fisheries resources, or any successor thereto satisfactory to the Association.
20. “Fisheries Surveillance Unit” and “FISCAP” means the Recipient’s autonomous civilian agency responsible for surveillance of fisheries, linked to the Fisheries Secretariat.
21. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010, with the modifications set forth in Section II of this Appendix.
22. “Independent Panel of Experts” means the panel of experts to be established by CSRP under Part 2.3 of the Project pursuant to the provisions of Section IV of the Schedule to the Project Agreement to implement the audits to be performed under said Part 2.3 of the Project.
23. “Institute for Biodiversity and Protected Areas” and “IBAP” means the Recipient’s semi-autonomous agency responsible for management of the country's national parks and protected areas.
24. “Lease Payments” means the expenditures incurred to finance the lease (with the option to purchase) of fisheries surveillance patrols for purposes of carrying out MCS (as hereinafter defined) under Part 2.1.1(c)(iii) of the Project, involving the periodical payment to a leasing company satisfactory to the Association of a rental fee consisting in part of an amortization component.
25. “MCS” means monitoring, control and surveillance of the Recipient’s coastal fisheries.
26. “National Association of Artisanal Fishermen” and “ANAPA” means a civil society organization representing local artisanal fishermen's interests in the country.
27. “National Association of Fish Processors” and “ANEP” means a civil society organization representing individuals and groups that process local fish products in the country.
28. “National Association of Women Fish Traders” and “AMAE” means a civil society organization representing women's groups who purchase, process and sell local fish products in the country.
29. “National Monitoring and Evaluation Indicators” means the agreed monitoring and evaluation indicators set forth in the Project Implementation Manual (as

hereinafter defined) to be utilized by the Recipient to measure the progress in the implementation of Parts 1, 2.1, 2.2, 3 and 4.1 of the Project and the degree to which the objective thereof are being achieved.

30. “National Strategic Plan” means the Recipient’s draft policy for the development of its fisheries sector.
31. “National Fisheries Surveillance Strategy” means the plan adopted by the Recipient on February 10, 2006, to organize the implementation of the monitoring, control and surveillance of the Recipient’s fisheries.
32. “Operating Costs” means incremental recurrent expenditures incurred on account of Project implementation including local contractual support staff salaries, employment benefits, travel expenditures and other travel-related allowances; equipment rental and maintenance; vehicle or boat operation (including fuel), maintenance and repair; office rental and maintenance, materials and supplies; and utilities, media information campaigns and communications’ expenses, but excluding the salaries of officials and public servants of the Recipient’s civil service, and excluding the costs of any criminal investigation, prosecution, proceedings or other forms of criminal enforcement.
33. “Participating Countries” mean collectively the Recipient, the Republic of Cape Verde, the Republic of Liberia, the Republic of Senegal, and the Republic of Sierra Leone; and “Participating Country” means individually each and any of the Participating Countries.
34. “Participating Country Financing Agreement” means a financing agreement between a Participating Country (other than the Recipient) and the Association for activities related to the Project under the first phase of the Program, as such agreement may be amended from time to time, and including all appendices, schedules and agreements supplemental thereto; and “Participating Countries Financing Agreements” means collectively all the Participating Countries Financing Agreements.
35. “Participating Country GEF Trust Fund Grant Agreement” means a grant agreement between a Participating Country (other than the Recipient) and the International Bank for Reconstruction and Development, acting as an implementing agency for the Global Environment Facility, for activities related to the Project under the first phase of the Program, as such agreement may be amended from time to time and including all appendices, schedules and agreements supplemental thereto; and “Participating Countries GEF Trust Fund Grant Agreements” means collectively all the Participating Countries GEF Trust Fund Grant Agreements.

36. “Procurement Guidelines” means the “Guidelines: Procurement of Goods, Works and Non-Consulting Services under IBRD Loans and IDA Credits & Grants by World Bank Borrowers” published by the Bank in January 2011.
37. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated November 24, 2010, 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.
38. “Program” means the West Africa Regional Fisheries Program of the Participating Countries endorsed by the Conference of Ministers of Fisheries of the member states of the CSRP on October 26 – 27, 2007 and December 5, 2008, and set forth in the minutes of said Conference.
39. “Project Implementing Entity” means CSRP.
40. “Project Implementation Manual” means the manual adopted by the Recipient through the validation, on January 28, 2011, of the National Steering Committee, for the purposes of defining the detailed implementation arrangements for the Project, and setting forth, *inter alia*: (i) the detailed Project staffing plan for each stakeholder; and (ii) the Project monitoring and evaluation modalities and indicators, as the same may be amended from time to time with the agreement of the Association.
41. “Project Steering Committee” means the committee established by the Recipient on September 13, 2010, by its Decision (*Despacho*) N° 35/GSEP/2010, for the purposes of overseeing the implementation of the Project in Recipient’s territory, including the territorial waters.
42. “Policy and Planning Office” and “PPO” means the unit responsible within the Fisheries Secretariat to be responsible for the implementation of the national components of the Project in accordance with the provisions of Section I.A.I.1. of Schedule 2 to this Agreement.
43. “Regional Coordination Unit” and “RCU” means the unit established within the Regional Steering Committee (as hereinafter defined) and referred to in Section I.A.II.2 of Schedule 2 to this Agreement.
44. “Regional Steering Committee” means the committee referred to in Section I.A.II.1 of Schedule 2 to this Agreement.
45. “Subsidiary Grant Agreement” means the agreement referred to in Section I.B of Schedule 2 to this Agreement pursuant to which the Recipient shall make a portion of the proceeds of the Financing available to CSRP.

46. “West Africa” means the coastal region and countries of West Africa, from the Republic of Mauritania to the Republic of Ghana.

**Section II. Modifications to the General Conditions**

Paragraph 10 of the Appendix (**Definitions**) is modified to read as follows:

- “10. “Co-financier” means the financier, including the Bank acting as Implementing Agency of the Global Environment Facility, referred to in Section 6.02(h) providing the Co-financing.”