

The World BankINTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION1818 H Street N.W.
Washington, D.C. 20433
U.S.A.(202) 477-1234
Cable Address: INTBAFRAD
Cable Address: INDEVAS**CONFORMED**

April 5, 2011

PERSGA- the Regional Organization for the Conservation
of the Environment of the Red Sea and Gulf of Aden
PO Box: 53662
Jeddah 21583
Saudi Arabia

**Re: Grant for Red Sea and Gulf of Aden Strategic Ecosystem
Management Project
GEF PPG Grant No. TF098538**

Dear Sir:

In response to the request for financial assistance made on behalf of PERSGA- the Regional Organization for the Conservation of the Environment of the Red Sea and Gulf of Aden ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development ("World Bank"), acting as Implementing Agency of the Global Environment Facility (GEF), proposes to extend to the Recipient a grant in an amount not to exceed One Hundred Thousand United States Dollars (U.S.\$100,000) ("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 for which the World Bank 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. The award of the Grant does not constitute or imply any commitment on the part of the World Bank, either as Implementing Agency of the GEF or in its own capacity, to assist in the financing of any project which may result from the Activities financed by the Grant.

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effective as of the date of the countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the countersigned copy of this Agreement within sixty (60) days after the date of signature of this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**
Acting as Implementing Agency of the Global Environment Facility

By /s/ Mr. Steen Jorgensen
Acting Regional Vice President
Middle East and North Africa

AGREED:

**PERSGA- The Regional Organization for the Conservation
of the Environment of the Red Sea and Gulf of Aden**

By /s/Ziad Abu Ghararah
Authorized Representative
Title: Secretary General
Date: April 5, 2011

Enclosures:

- (1) Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated July 31, 2010
- (2) Disbursement Letter April 5, 2011, 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; provided that for the purposes of this Agreement the term “Project”, whenever used in the Standard Conditions, shall mean the Activities referred to in Section 2.01 of this Annex. The following terms have the meanings assigned to them below:

- (a) “Member States” means the Republic of Djibouti, the Arab Republic of Egypt, the Hashemite Kingdom of Jordan, the Kingdom of Saudi Arabia, the Democratic Republic of Somalia, the Republic of Sudan and the Republic of Yemen.
- (b) “Project Partners” means non-governmental stakeholders in the Project from the Member States, as identified by the Recipient.

Article II

Project Execution

2.01. *Project Objectives and Description.* The objective of the Project is prepare the Red Sea and Gulf of Aden Strategic Ecosystem Management Project, which Project has as its objectives to conserve and promote sustainable exploitation of marine resources of the Red Sea and the Gulf of Aden, monitor the coastal environmental conditions and improve the socio-economic benefits to the people in the region. The activities (“Activities”) for which the Grant is given consist of the following parts:

- (a) Establishment of a steering committee consisting of the Recipient’s staff, representatives of Member States and Project Partners (the “Steering Committee”); holding an inception workshop and preparing the terms of reference for studies.
- (b) Studies undertaken as a basis for development of each proposed Project component including studies on good governance and sustainable management of fisheries; sustainability of fisheries habitats, resilient measures for the coastal ecosystems and optimization and integration of environmental monitoring activities in the Red Sea and Gulf of Aden.
- (c) Capacity building and public awareness including stakeholder analysis, needs assessment and development of a road map for capacity building through workshops targeted at national and regional institutes involved in marine and coastal resource management, local governments, non-governmental organizations and coastal communities.

(d) Workshops and stakeholder consultations to discuss the studies, concluding with a workshop on the overall Project design.

(e) Revisions and finalization of preliminary studies based on feedback received from consultations and workshops, preparation of a draft project report and preparation of the project appraisal document for the Project.

(f) Conclusion of Project preparation workshops and finalization of Project design and implementation arrangements, on the basis of which the Project documentation (including expected outputs and outcomes, a monitoring plan, a procurement plan, implementation arrangements and the like) would be finalized.

2.02. **Project Execution Generally.** The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project in accordance with: (a) the provisions of 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 as revised in January 2011 (“Anti-Corruption Guidelines”); and (c) this Article II.

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

2.04. **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 ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than one month after the end of each quarter, covering the most recent quarter, in form and substance satisfactory to the World Bank.

(c) The Recipient shall, upon the World Bank’s request, have its Financial Statements for the Project 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 six months after the date of the World Bank’s request.

2.05. **Procurement**

(a) **General.** All 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 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”); and the provisions of this Section, 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 1.24 of the Consultant Guidelines (“Procurement Plan”).

(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

(i) Except as otherwise provided in item (ii) below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

(ii) The following methods may be used for the procurement of consultants' services for those assignments which are specified in the Procurement Plan and the World Bank agrees meet the requirements set forth in the Consultant Guidelines for their use: (A) Selection under a Fixed Budget; (B) Least Cost Selection; (C) Selection based on Consultants' Qualifications; (D) Single-source Selection; (E) Selection of Individual Consultants; and (F) Sole Source Procedures for the Selection of Individual Consultants.

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

**Article III
Withdrawal of Grant Proceeds**

3.01. **Eligible Expenditures.** 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 following table. The 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:

Category	Amount of the Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
Consultants' Services, Workshops	100,000	100%
TOTAL AMOUNT	100,000	

For the purposes of this Section 3.01 the following terms have the meaning assigned to them below:

- (a) “Workshops” means workshops conducted as part of the Activities, including purchase and publication of materials, rental of facilities, preparation and reproduction of training and workshop materials, travel, accommodation and per diem costs of participants (where not included under service provider contracts), and other costs directly associated with training and workshops preparation acceptable to the Bank.

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.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is April 5, 2012.

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 Secretary General of the Recipient.

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

PERSGA- Regional Organization for the Conservation
of the Environment of the Red Sea and Gulf of Aden
PO Box: 53662
Jeddah 21583
Saudi Arabia
persga@persga.org

Facsimile:
9662 6521901

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

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

