

CONFORMED COPY

GEF GRANT NUMBER TF 25142 BUR

GLOBAL ENVIRONMENT FACILITY TRUST FUND
GRANT AGREEMENT

(West African Pilot Community-Based Natural Resource And
Wildlife Management Project/GEPRENAF)

between

BURKINA FASO

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

acting as Trustee of the Global Environment Facility
Trust Fund

Dated October 13, 1995

GEF GRANT NUMBER TF 25142 BUR

GLOBAL ENVIRONMENT FACILITY TRUST FUND
GRANT AGREEMENT

AGREEMENT, dated October 13, 1995, between BURKINA FASO (the Recipient) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT acting as Trustee of grant funds provided by Participants of the Global Environment Facility to the Global Environment Facility Trust Fund (GEF) (the Trustee).

WHEREAS: (A) the International Bank for Reconstruction and Development (the Bank), pursuant to Resolution No. 94-2 of May 24, 1994, of the Executive Directors of the Bank (the Resolution), adopted the Instrument for the Establishment of the Restructured Global Environment Facility to assist in the protection of the global environment and promote thereby environmentally sound and sustainable economic development;

(B) certain members of the Bank (the Participants) have provided resources by way of a grant to the GEF, and the Participants have requested and the Bank has agreed to administer such grant funds as Trustee for the purposes of, and in accordance with, the provisions of the Resolution;

(C) the Recipient, having satisfied itself as to the feasibility and priority of the Project described in Schedule 2 to this Agreement, has requested assistance from the resources of the GEF in the financing of the Project, and the Trustee has determined that such assistance would be in accordance with the provisions of the Resolution;

(D) the Recipient intends to obtain from the Kingdom of Belgium (Belgium) a grant (the Belgian Grant) in an amount of forty-three million two hundred and sixty

thousand Belgian Francs (BF 43,260,000) to assist in the financing of the Project pursuant to the conditions set forth in an agreement between Belgium and the Recipient (the Arrangement Particulier); and

(E) Belgium has appointed the Bank to administer the Belgian Grant in accordance with the provisions of a Cofinancing Agreement dated October 5, 1993, between Belgium and the Bank, and the Bank has accepted such appointment; and

WHEREAS the Trustee has agreed on the basis, inter alia, of the foregoing, to extend the GEF Grant to the Recipient upon the terms and conditions set forth in this Agreement;

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

General Conditions; Definitions

Section 1.01. (a) The following provisions of the General Conditions Applicable to Loan and Guarantee Agreements of the Bank, dated January 1, 1985, with the modifications set forth in paragraph (b) of this Section (the General Conditions) constitute an integral part of this Agreement:

- (i) Article I;
- (ii) Sections 2.01 (1), (2), (3), (4), (6), (8), (9), (10), (11), (15), (18) and (20), 2.02 and 2.03;
- (iii) Section 3.01;
- (iv) Section 4.01 and the first sentence of Section 4.09;
- (v) Article V;
- (vi) Sections 6.01, 6.02 (a), (c), (d), (e), (f), (g), (i) and (k), 6.03, 6.04 and 6.06;
- (vii) Section 8.01 (b);
- (viii) Sections 9.01 (a) and (c), 9.04, 9.05, 9.06, 9.07, 9.08 and 9.09;
- (ix) Sections 10.01, 10.03 and 10.04;
- (x) Article XI; and
- (xi) Section 12.01, 12.02, 12.03 and 12.04.

(b) The General Conditions shall be modified as follows:

- (i) a new paragraph shall be added to the end of Section 2.01 to read as follows: "the term 'Special Drawing Rights' and the symbol 'SDR' mean special drawing rights as valued by the International Monetary Fund in accordance with its Articles of Agreement";
- (ii) the term "Bank", wherever used in the General Conditions, other than in Sections 2.01 (8) and 6.02 (f) thereof and the last use of such term in Section 5.01 thereof, means the Trustee except that, in Section 6.02, the term "Bank" shall also include the International Bank for Reconstruction and Development acting in its own capacity;
- (iii) the term "Borrower", wherever used in the General Conditions, means the Recipient;
- (iv) the term "Loan Agreement", wherever used in the General Conditions, means this Agreement;
- (v) the term "Loan" and "loan" wherever used in the General Conditions, means the GEF Grant;
- (vi) the term "Loan Account" wherever used in the General Conditions,

means the GEF Grant Account;

(vii) The second sentence of Section 5.01 is modified to read:

"Except as the Bank and the Borrower shall otherwise agree, no withdrawals shall be made: (a) on account of expenditures in the territories of any country which is not a member of the Bank or for goods produced in, or services supplied from, such territories; or (b) for the purpose of any payment to persons or entities, or for any import of goods, if such payment or import, to the knowledge of the Bank, is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations."; and

(viii) a new sub-paragraph is added after sub-paragraph (j) in Section 6.02 of the General Conditions, to read as follows: "an extraordinary situation shall have arisen in which any further disbursement under the GEF Grant would exceed the resources available for disbursement from the GEF."

Section 1.02. Wherever used in this Agreement, unless the context otherwise requires, the several terms defined in the General Conditions and in the Recitals to this Agreement have the respective meanings therein set forth; and the following additional terms have the following meanings:

(a) "AGEREF" means Association pour la Gestion des Ressources Naturelles et de la Faune, an inter-village association for Management of Natural Resources and Wildlife, to be established pursuant to the Recipient's Law Zatu An VII 0035/FP/PRES of May 18, 1990;

(b) "AV" means Association Villageoise, a village association to be established pursuant to the Recipient's Laws: ZATU An VII 0035/FP/PRES of May 18th, 1990; and ZATU AN VIII 0039/FP/PRES of June 4, 1991; and "AVs" means all such associations;

(c) "Belgian Grant Account" means the account opened by the Trustee on its books in the name of the Recipient to which the amount of the Belgian Grant is credited;

(d) "CCTP" means the Comité Consultatif Technique Provincial, the Provincial Technical Consultative Committee established pursuant to Article 3.2 of ZATU An VIII 0039/FP/PRES of June 4, 1991; and Arrêté No. 94-025/PCMO/HC/1D of March 29, 1994;

(e) "CFAF" and "CFA Francs" mean the currency of the Recipient;

(f) "CNP" means Coordinateur National du Projet, the National Project Coordinator to be appointed by the Recipient under the Project in accordance with Section 1.4 of Schedule 4 to this Agreement;

(g) "the CTA" means Cellule Technique d'Appui", the technical support unit to be established by the Recipient in accordance with Section 1.3 of Schedule 4 to this Agreement;

(h) "fiscal year" means the fiscal year of the Recipient running from January 1st to December 31st;

(i) "GC" means the Groupe Consultatif, a Consultative Group to be established by the Recipient under the Project in accordance with Section 1.5 of Schedule 4 to this Agreement;

(j) "IUCN" means International Union for Conservation of Nature and Natural Resources, the World Conservation Union, an international non-governmental organization;

(k) "MEE" means Ministère de l'Environnement et de l'Eau, the Recipient's Ministry in charge of the Environment ;

(l) "ONG" means an Organisation non Gouvernementale, a non-governmental organization;

(m) "Project Account" means the account referred to in Section 3.02 (a) of this Agreement;

(n) "Project Implementation Manual" means the manual of procedures, prepared by the Recipient and acceptable to the Trustee, for the implementation of the Project, including the Implementation Plan and the procurement, disbursement, accounting and financial management methods pertaining to the Special Account, the Project Account and the Regional Account, and other implementation procedures, sample bidding documents and Project monitoring indicators, to be adopted by the Recipient as provided for in Section 6.01 (d) of this Agreement as the same may be amended from time to time by the Recipient with the consent of the Administrator; and such term includes all schedules supplemental to the Project Implementation Manual;

(o) "Project Site" means the Diefoula and Logoniégué areas in the territory of the Recipient;

(p) "Regional Account" means the account to be opened by the CTA or AGEREF, as the case may be, under the Project as referred to in the Project Implementation Manual;

(q) "Special Account" means the account referred to in Section 2.02 (b) of this Agreement; and

(r) "terroir" means an area, within the Project Site, which is managed by a community, based on use and occupation rights that have been defined according to socio-economic and cultural factors;

Section 1.03. For the purposes of this Agreement, the term "Trustee", whenever used in relation to the administration of the Belgian Grant, shall be construed to mean the Bank as administrator of the Belgian Grant.

ARTICLE II

The GEF Grant

Section 2.01. The Trustee agrees to make available to the Recipient, on the terms and conditions set forth or referred to in this Agreement, the GEF Grant in an amount in various currencies equivalent to one million seven hundred thousand Special Drawing Rights (SDR 1,700,000).

Section 2.02. (a) The amount of the GEF Grant and the Belgian Grant may be withdrawn from the GEF Grant Account and the Belgian Grant Account in accordance with the provisions of Schedule 1 to this Agreement for expenditures made (or, if the Trustee shall so agree, to be made) in respect of the reasonable cost of works, goods and services required for carrying out the Project and to be financed out of the proceeds of the GEF Grant and the Belgian Grant.

(b) The Recipient may, for the purposes of the Project, open and maintain in a commercial bank, acceptable to the Trustee, in CFA Francs, a special deposit account (the Special Account) on terms and conditions satisfactory to the Trustee, including appropriate protection against set off, seizure or attachment. Deposits into, and payments out of, the Special Account shall be made in accordance with the provisions of Schedule 5 to this Agreement.

Section 2.03. The Closing Date shall be December 31, 2001, or such later date as the Trustee shall establish. The Trustee shall promptly notify the Recipient of such later date.

ARTICLE III

Execution of the Project

Section 3.01. (a) The Recipient declares its commitment to the objectives of the Project as set forth in Schedule 2 to this Agreement and, to this end, shall carry out the Project through MEE, the CTA and AGEREF, as the case may be, with due diligence and efficiency, in conformity with appropriate administrative, financial and engineering practices and with due regard to ecological, biodiversity and environmental factors, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the Project.

(b) Without limitation upon the provisions of paragraph (a) of this Section and except as the Recipient and the Trustee shall otherwise agree, the Recipient shall carry out, and cause the CTA and AGEREF, as the case may be, to carry out the Project in accordance with the provisions of the Implementation Program set forth in Schedule

4 to this Agreement.

Section 3.02. Without limitation upon any of its obligations under Section 3.01 of this Agreement, the Recipient shall:

(a) until completion of the Project, establish and maintain the Project Account in a commercial bank acceptable to the Trustee on terms and conditions satisfactory to the Trustee, to be used exclusively for the purposes of meeting expenditures incurred under the Project; and

(b) deposit into the Project Account, promptly before the second quarter of each fiscal year of project implementation, sufficient funds to finance the Recipient's contribution to the cost of the Project for such fiscal year, as estimated by the Recipient in consultation with the Trustee.

Section 3.03. Except as the Trustee shall otherwise agree, procurement of the goods, works and consultants' services required for the Project and to be financed out of the proceeds of the GEF Grant and the Belgian Grant shall be governed by the provisions of Schedule 3 to this Agreement.

Section 3.04. The Recipient shall:

(a) maintain adequate policies and procedures to enable it to monitor and evaluate on a continual basis, in accordance with indicators satisfactory to the Trustee, the carrying out of the Project and the achievement of its objectives;

(b) prepare, under terms of reference satisfactory to the Trustee, and furnish to the Trustee for its review and comments, not later than February 28, May 31, August 31 and November 30 of each year, until completion of the Project, quarterly reports integrating the results of the monitoring and evaluation activities performed pursuant to paragraph (a) of this Section on the progress achieved in the implementation of the Project during the period preceding the date of each such report, including, inter alia: (i) the status of monitoring indicators for Project performance; (ii) the summary of implementation of progress of each Project component; (iii) the financial statements of Project expenditures; (iv) the updated procurement plan and implementation schedules; (v) the status of contract advertising, bidding awards and completion dates; (vi) the investment program and recurrent expenditures for the next six months of the Project; and (vii) the measures recommended to ensure the efficient implementation of the Project and the achievement of the objectives thereof during the period following the date of each said report;

(c) prepare and furnish to the Trustee for approval prior to August 31 of each year, until completion of the Project, the work program and budget for the next year;

(d) prepare, under terms of reference satisfactory to the Trustee, and furnish to the Trustee, no later than February 28 of each year until completion of the Project, an in-depth review of Project implementation (the annual review or, in the case of the review to be held no later than February 28, 1998, the midterm review), summarizing the quarterly reports referred to under paragraph (b) of this Section, containing, in addition to the topics covered under the quarterly reports, inter alia: (i) a review of the strategy and methodology used in the implementation of the Project to achieve its objectives; (ii) an assessment of habitat management and the state of biodiversity conservation; (iii) an evaluation of effectiveness and profitability of natural resource utilization; (iv) an analysis of the Project's impact on the socio-economic development at the Project site; (v) an assessment of Project management, institutional development and local capacity building; (vi) an evaluation of the monitoring, evaluation process and feedback mechanism to the Project management; and (vii) expenditure statements of the current year indicating changes relative to the investment program and budget for the preceding year; and

(e) promptly thereafter, take all measures required to ensure the efficient completion of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of said review and the Trustee's views on the matter.

Section 3.05. Without limitation upon the applicable provisions of Article IX of the General Conditions, the Recipient shall:

(a) prepare, on the basis of guidelines satisfactory to the Trustee, and furnish to the Trustee, not later than six (6) months after the Closing Date or such later date as may be agreed for this purpose between the Recipient and the Trustee, a

plan for future operations for the continuing realization of the Project objectives;

(b) afford the Trustee a reasonable opportunity to exchange views with the Recipient on said plan; and

(c) thereafter, carry out said plan with due diligence and efficiency and in accordance with appropriate practices, taking into account the Trustee's comments thereon.

ARTICLE IV

Financial Covenants

Section 4.01. (a) The Recipient shall maintain or cause to be maintained records and accounts adequate to reflect in accordance with sound accounting practices the operations, resources and expenditures of the departments or agencies of the Recipient responsible for carrying out the Project;

(b) The Recipient shall:

(i) have the records and accounts referred to in paragraph (a) of this Section, including those for the Special Account, for each fiscal semester of Project implementation audited, unless otherwise agreed upon between the Recipient and the Trustee, in accordance with appropriate auditing principles consistently applied, by independent auditors acceptable to the Trustee;

(ii) furnish to the Trustee as soon as available, but in any case not later than six (6) months after the end of each such fiscal semester, the report of such audit by said auditors, unless otherwise agreed upon between the Recipient and the Trustee, of such scope and in such detail as the Trustee shall have reasonably requested; and

(iii) furnish to the Trustee such other information concerning said records and accounts and the audit thereof as the Trustee shall from time to time reasonably request.

(c) For all expenditures with respect to which withdrawals from the GEF Grant Account and the Belgian Grant Account were made on the basis of statements of expenditure, the Recipient shall:

(i) maintain or cause to be maintained, in accordance with paragraph (a) of this Section, records and accounts reflecting such expenditures;

(ii) retain, until at least one year after the Trustee has received the audit report for the fiscal year in which the last withdrawal from the GEF Grant Account and the Belgian Grant Account was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures;

(iii) enable the Trustee's representatives to examine such records; and

(iv) ensure that such records and accounts are included in the audits referred to in paragraph (b) of this Section and that the report of such audits contains a separate opinion by said auditors as to whether the statements of expenditure submitted during such fiscal year, together with the procedures and internal controls involved in their preparation, can be relied upon to support the related withdrawals.

Section 4.02. (a) The Recipient shall cause the CTA or AGEREF, as the case may be, to maintain records and accounts adequate to reflect in accordance with sound accounting practices the operations, resources and expenditures with respect to the Parts of the Project under their responsibility.

(b) The Recipient shall cause the CTA or AGEREF, as the case may be, to:

(i) have the records and accounts referred to in paragraph (a) of this Section for each period of six calendar months audited, unless otherwise agreed upon between the Recipient and the Trustee, in

accordance with appropriate auditing principles consistently applied, by independent auditors acceptable to the Trustee;

- (ii) furnish to the Trustee as soon as available, but in any case not later than one (1) month after the end of each such audit period unless otherwise agreed upon between the Recipient and the Trustee, the report of such audit by said auditors, of such scope and in such detail as the Trustee shall have reasonably requested; and
- (iii) furnish to the Trustee such other information concerning such records, accounts and financial statements and the audit thereof as the Trustee shall from time to time reasonably request.

ARTICLE V

Remedies of the Trustee

Section 5.01. Pursuant to Section 6.02 (k) of the General Conditions, the following additional events are specified:

(a) The Recipient or any other authority having jurisdiction shall have taken any action for the dissolution or disestablishment of AVs or AGEREF or for the suspension of their operations.

(b) The Recipient's Laws: ZATU An VII 0035/FP/PRES of May 18, 1990 and ZATU An VIII 0039/FP/PRES of June 4, 1991, or AVs' or AGEREF's by-laws, shall have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of AVs or AGEREF to perform any of their respective obligations under this Agreement.

(c) (i) Subject to the provision of sub-paragraph (ii) of this paragraph, the right of the Recipient to withdraw the proceeds of the Belgian Grant made to the Recipient for the financing of the Project shall have been suspended, cancelled or terminated in whole or in part, pursuant to the terms of the Arrangement Particulier.

(ii) Sub-paragraph (i) of this paragraph shall not apply if the Recipient establishes to the satisfaction of the Trustee that: (A) such suspension, cancellation, or termination is not caused by the failure of the Recipient to perform any of its obligations under the Arrangement Particulier; and (B) adequate funds for the Project are available to the Recipient from other sources on terms and conditions consistent with the obligations of the Recipient under this Agreement.

ARTICLE VI

Effectiveness; Termination

Section 6.01. The following events are specified as conditions to the effectiveness of this Agreement for the purpose of Section 12.01 (b) of the General Conditions:

(a) The Recipient shall have opened the Project Account referred to in Section 3.02 of this Agreement and has deposited therein an initial deposit in an amount of CFAF 25,000,000.

(b) The Recipient shall have recruited the CTA staff specified in paragraph 3 (a) (i) through (vi) of Schedule 4 to this Agreement, whose qualifications and experience shall be satisfactory to the Trustee, in accordance with the provisions set forth in Section II of Schedule 3 to this Agreement.

(c) The Recipient shall have established an accounting system for the Project, satisfactory to the Trustee and consistent with the Project Implementation Manual.

(d) The Recipient shall have adopted the Project Implementation Manual, acceptable to the Trustee.

(e) The Recipient shall have appointed the independent auditors referred to in Section 4.01 (b) of this Agreement, whose qualifications and experience and terms

of reference shall be satisfactory to the Trustee, in accordance with the provisions of Section II of Schedule 3 to this Agreement.

(f) The Recipient shall have furnished to the Trustee a copy of the signed technical assistance contract, satisfactory to the Trustee, between the Recipient and IUCN, referred to in paragraph (7) of Schedule 4 to this Agreement.

(g) The Recipient shall have signed the Arrangement Particulier .

Section 6.02. The date hundred twenty (120) days after the date of this Agreement is hereby specified for the purposes of Section 12.04 of the General Conditions.

Section 6.03. This Agreement shall continue in effect until the GEF Grant and the Belgian Grant have been fully disbursed and the parties to this Agreement have fulfilled all their obligations hereunder.

ARTICLE VII

Representative of the Recipient; Addresses

Section 7.01. The Minister of the Recipient responsible for financing and planning is designated as representative of the Recipient for the purposes of Section 11.03 of the General Conditions.

Section 7.02. The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Recipient:

Ministère de l'Economie, des Finances et du Plan
BP 7050
Ouagadougou
Burkina Faso

Cable address:	Telex:
SEGEGOUV Ouagadougou	5555 SEGEGOU

For the Trustee:

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

Cable address:	Telex:
INTBAFRAD Washington, D.C.	197688 (TRT), 248423 (RCA), 64145 (WUI) or 82987 (FTCC)

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed in their respective names in the District of Columbia, United States of America, as of the day and year first above written.

BURKINA FASO

By /s/ Zéphirin Diabré

Authorized Representative

INTERNATIONAL BANK FOR

RECONSTRUCTION AND DEVELOPMENT
as Trustee of the
Global Environment Facility Trust Fund

By /s/ Edward V.K. Jaycox

Regional Vice President
Africa

SCHEDULE 1

Withdrawal of the Proceeds of the GEF Grant
and the Belgian Grant

1. The table below sets forth the Categories of items to be financed out of the proceeds of the GEF Grant and the Belgian Grant, the allocation of the amounts of the GEF Grant and the Belgian Grant to each Category and the percentage of expenditures for items so to be financed in each Category:

Category	Amount of the GEF Grant Allocated (Expressed in SDR Equivalent)	Amount of the Belgian Grant Allocated (Expressed in Belgian Francs Equivalent)	% of Expenditures to be Financed
(1) Works:	430,000	10,900,000	100% of foreign expenditures, and 90% of local expenditures
(2) Goods and vehicles	260,000	6,540,000	100% of foreign expenditures, 100% of local expenditures (ex-factory cost), and 90% of local expenditures for other items procured locally
(3) Consultants' services and training	400,000	10,270,000	100%
(4) Incremental Operating Costs	450,000	11,520,000	90%
(5) Unallocated	160,000	4,030,000	
TOTAL	1,700,000	43,260,000	

2. For the purposes of this Schedule:

(a) the term "foreign expenditures" means expenditures in the currency of any country other than that of the Borrower for goods or services supplied from the territory of any country other than that of the Borrower;

(b) the term "local expenditures" means expenditures in the currency of the Borrower or for goods or services supplied from the territory of the Borrower, provided, however, that, if the currency of the Borrower is also that of another country from the territory of which the goods and services are supplied, expenditures in such currency for such goods or services shall be deemed to be "foreign expenditures";

(c) the term "consultants' services and training" includes the audit of all

Project accounts; and

(d) the term "incremental operating costs" means the incremental Project related expenditures incurred by the Recipient for vehicle and equipment operation, maintenance of office and field supplies, mission costs, and non-consultancy salaries.

3. With reference to Section 2.02 (a) of this Agreement, each application by the Recipient for withdrawal shall be deemed to be a request to withdraw funds jointly from the GEF Grant Account and the Belgian Grant Account, and the funds so withdrawn, pursuant to such application, shall be apportioned by the Trustee, as nearly as practicable under the circumstances, between the GEF Grant and the Belgian Grant in the ratio of 60:40, or such other ratio as shall be agreed between the Trustee and Belgium.

4. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of payments made for expenditures prior to the date of this Agreement.

5. If, at any time, the amount of the GEF Grant allocated to any category under paragraph 1 above shall, in the reasonable opinion of the Trustee, be insufficient to finance necessary expenditures under such category, the Trustee may, with the approval of the Recipient, transfer amounts as needed from the Belgian Grant allocated under that category, as available, and vice versa.

6. If the Trustee shall have determined at any time that any payment made from the GEF Grant Account or the Belgian Grant Account was used for any expenditure not consistent with the provisions of this Agreement, the Recipient shall, promptly upon notice from the Trustee, refund to the Trustee for deposit into the GEF Grant Account, or into the Belgian Grant Account, as the case may be, an amount equal to the amount so used or the portion thereof as specified by the Trustee.

7. The Trustee may require withdrawals from the GEF Grant Account or the Belgian Grant Account to be made on the basis of statements of expenditure for expenditures made for: (a) works, goods, training, operating costs and services rendered by consulting firms under contracts not exceeding \$100,000 equivalent; and (b) services rendered by individual consultants under contracts not exceeding \$50,000 equivalent, under such terms and conditions as the Trustee shall specify by notice to the Recipient.

SCHEDULE 2

Description of the Project

The objective of the Project is to assist the Recipient in conserving biodiversity within the Project Site through the adoption of a community-based land and natural resource management strategy, including: (i) strengthening the capacity of local communities, the Recipient and ONGs to manage wild plant and animal resources in a sustainable and profitable manner; (ii) improving the management and use of habitat and wildlife populations at the Project Site; (iii) improving local land management practices and infrastructure; and (iv) establishing a durable system for monitoring and evaluating Project implementation and Project impact on the environment.

The Project consists of the following parts, subject to such modifications thereof as the Recipient and the Trustee may agree upon from time to time to achieve such objectives:

Part A: Local Capacity Building

1. Enhancement of the capacity, through the provision of training and technical assistance, of AVs, local government officials and other personnel associated with the Project in the areas of, inter alia, village organization, project management and planning, habitat and wildlife management, use and valorization of forest products, anti-poaching, and monitoring and evaluation.

2. Strengthening of the Recipient's supervision, control and monitoring capacity of environmentally sensitive activities through the provision of technical assistance.

Part B: Habitat and Wildlife Management

1. Implementation of a program for the identification and zoning of wildlife-

management and agro-sylvo-pastoral zones.

2. Preparation of management plans for wildlife.

3. Implementation of habitat management activities in the wildlife management zones designed to: (i) improve the quality and quantity of vegetative cover, (ii) improve the availability of water and mineral salts, (iii) support anti-poaching activities, and (iv) control the use of natural resources.

4. Implementation of ecological monitoring activities in the wildlife management zones and socio-economic monitoring activities in the Project Site.

5. Implementation of studies to assess the commercial potential for natural resources exploitation and for forest product processing and marketing.

6. On the basis of the studies referred to in paragraph 5 above, carrying out trial commercial operations by the AVs.

Part C: Land Management and Infrastructure Development

1. Identification of terroirs, and preparation of their management plans.

2. Implementation of community-based land management and infrastructure development activities in various areas including social infrastructure, soil conservation, small-scale irrigation, improved agro-sylvo-pastoral techniques, rangeland management, agroforestry, rehabilitation of all-weather earth roads, construction of temporary tracks and small dams.

Part D: Project Management

Construction and maintenance of small office buildings and housing, and the provision of, inter alia, vehicles and equipment for the use of Project management staff; and the carrying out of monitoring and evaluation activities intended to assess the impact of Project implementation on the environment.

* * *

The Project is expected to be completed by June 30, 2001.

SCHEDULE 3

Procurement and Consultants' Services

Section I. Procurement of Goods and Works

Part A: General

Goods and works shall be procured in accordance with the provisions of Section 1 of the "Guidelines for Procurement under IBRD Loans and IDA Credits" published by the Bank in January 1995 (the Guidelines) and the following provisions of this Section, as applicable.

Part B: International Competitive Bidding

1. Except as otherwise provided in Part C of this Section, goods and works shall be procured under contracts awarded in accordance with the provisions of Section II of the Guidelines and paragraph 5 of Appendix 1 thereto.

2. The following provisions shall apply to goods and works to be procured under contracts awarded in accordance with the provisions of paragraph 1 of this Part B:

(a) to the extent practicable, contracts for goods and works shall be grouped in bid packages estimated to cost more than \$250,000 equivalent each; and

(b) preference shall be given to domestically manufactured goods and domestic contractors.

The provisions of paragraphs 2.54 and 2.55 of the Guidelines and Appendix 2 thereto shall apply to goods manufactured in the territory of the Recipient and works

to be carried out by domestic contractors.

Part C: Other Procurement Procedures

1. National Competitive Bidding

(a) Goods estimated to cost \$250,000 equivalent or less per contract, and \$501,000 equivalent or less in the aggregate, may be procured under contracts awarded in accordance with the provisions of paragraphs 3.3 and 3.4 of the Guidelines; and

(b) Works estimated to cost \$250,000 equivalent or less per contract and \$1,000,000 equivalent or less in the aggregate, may be procured under contracts awarded in accordance with the provisions of paragraphs 3.3 and 3.4 of the Guidelines.

2. International or National Shopping

Goods estimated to cost \$30,000 equivalent or less per contract and \$149,000 equivalent or less in the aggregate, may be procured under contracts awarded on the basis of national shopping procedures in accordance with the provisions of paragraphs 3.5 and 3.6 of the Guidelines.

3. Direct Contracting

Satellite images costing \$19,000 equivalent or less in the aggregate may, with the Trustee's prior agreement, be procured in accordance with the provisions of paragraph 3.7 of the Guidelines.

4. Community Participation

Civil works, costing \$10,000 equivalent or less per contract and \$122,000 equivalent or less in the aggregate, may, with the Association's prior agreement, be procured in accordance with the provision of paragraph 3.15 of the Guidelines and procedures acceptable to the Trustee.

Part D: Review by the Trustee of Procurement Decisions

1. Procurement Planning

Prior to the issuance of any invitations to prequalify for bidding or to bid for contracts, the proposed procurement plan for the Project shall be furnished to the Trustee for its review and approval, in accordance with the provisions of paragraph 1 of Appendix 1 to the Guidelines. Procurement of all goods and works shall be undertaken in accordance with such procurement plan as shall have been approved by the Trustee, and with the provisions of said paragraph 1.

2. Prior Review

With respect to each contract for goods and works estimated to cost the equivalent of \$100,000 or more, the procedures set forth in paragraphs 2 and 3 of Appendix 1 to the Guidelines shall apply.

3. Post Review

With respect to each contract not governed by paragraph 2 of this Part, the procedures set forth in paragraph 4 of Appendix 1 to the Guidelines shall apply.

Section II. Employment of Consultants

1. Consultants' services shall be procured under contracts awarded in accordance with the provisions of the "Guidelines for the Use of Consultants by World Bank Borrowers and by the World Bank as Executing Agency" published by the Bank in August 1981 (the Consultant Guidelines). For complex, time-based assignments, such contracts shall be based on the standard form of contract for consultants' services issued by the Bank, with such modifications thereto as shall have been agreed by the Trustee. Where no relevant standard contract documents have been issued by the Bank, other standard forms acceptable to the Trustee shall be used.

2. Notwithstanding the provisions of paragraph 1 of this Section, the provisions of the Consultant Guidelines requiring prior Bank review or approval of budgets, short lists, selection procedures, letters of invitation, proposals, evaluation reports and contracts, shall not apply to: (a) contracts for the employment of consulting firms estimated to cost less than \$100,000 equivalent each, or (b) contracts for the

employment of individual consultants estimated to cost less than \$50,000 equivalent each. However, said exceptions to prior Bank review shall not apply to: (a) the terms of reference for such contracts, (b) single-source selection of consulting firms, (c) assignments of a critical nature, as reasonably determined by the Trustee, (d) amendments to contracts for the employment of consulting firms raising the contract value to \$100,000 equivalent or above, or (e) amendments to contracts for the employment of individual consultants raising the contract value to \$50,000 equivalent or above.

SCHEDULE 4

Implementation Program

Section I. General

1. The Recipient shall implement the Project in three (3) Phases, as follows:

(a) in Phase One, the Recipient shall cause the CTA to be responsible for the technical implementation of the Project and the management of the funds allocated to the CTA;

(b) in Phase Two, the Recipient shall take all necessary actions to: (i) ensure the development of AVs' capacity to manage the wildlife management zones; and (ii) cause the AVs to formally establish AGEREF on terms and conditions satisfactory to the Trustee and in accordance with the provisions of the Project Implementation Manual; such AGEREF to be organized as follows: two representatives from each AV, being members of AGEREF, will be members of AGEREF's General Assembly. The General Assembly will elect a bureau, consisting of, inter alia: (i) a President, (ii) a Treasurer, and (iii) a General Secretary;

The decision to advance from Phase One to Phase Two shall be taken by the CNP in consultation with CCTP, GC and the Trustee. This decision will be based, inter alia, on an assessment of: (i) AVs' understanding of, and identification with, the objectives and implementation procedures of the Project; (ii) AVs' management and technical capacity; and (iii) AVs' willingness to cooperate, on an informal basis, with other AVs and to coordinate their actions in the execution of the Project.

(c) in Phase Three, the Recipient shall cause the gradual transfer of financial management and all other responsibilities of the CTA to AGEREF. The decision to advance from Phase Two to Phase Three shall be taken by the CNP in consultation with CCTP, GC and the Trustee. This decision will be based, inter alia, on AGEREF having demonstrated, to the satisfaction of the Recipient and the Trustee: (i) understanding of, and commitment to, Project objectives; (ii) ability to carry out accounting and revenue management in a transparent and equitable manner; (iii) capacity for consensual decision making; (iv) representation of AVs and local community interests; (v) technical ability for wildlife and habitat management and monitoring, supervision of infrastructure works and antipoaching activities, and negotiations capacity with private sector parties and the public administration; and (vi) generally satisfactory management of the wildlife management zones.

2. The Recipient shall take all necessary action to cause the establishment of AVs and their maintenance until Project completion, under terms and conditions satisfactory to the Trustee, including the following:

(a) such AVs shall promote local management capacity, ensure coordination of activities in the terroir at local level and decide on all matters of social and economic impact for the local population, including, but not limited to: (i) identification of the terroir; (ii) land-use, infrastructure and social investments; and (iii) concession rights for hunting and ecotourism-tourism; and

(b) such AVs shall organize their administration through a team including a President, a Treasurer/Secretary, an assistant for each, and three members with specific responsibilities in the areas of: (i) rural development, (ii) wildlife and habitat management, and (iii) coordination with other AVs and representatives of specific groups and organizations active in each village.

3. The Recipient shall appoint and maintain the CTA at the Project Site to provide assistance to the AVs and AGEREF; and phase out the CTA's assistance during Phase Three, in accordance with the following provisions:

(a) the CTA will be composed, inter alia, of: (i) a community-based land management specialist; (ii) a biodiversity conservation and wildlife management

specialist; (iii) an accountant/administrator; (iv) an anti-poaching assistant; (v) an impact and implementation monitoring assistant; (vi) a mobile extension team consisting of three (3) staff; and (vii) support staff in adequate numbers. The CTA chief shall act as temporary General Secretary for AGEREF unless and until otherwise agreed upon between the Recipient and the Trustee; and

(b) the CTA shall enter into an agreement with the Recipient to include, inter alia, provisions satisfactory to the Trustee relating to the allocation of part of the proceeds of the GEF Grant and the Belgian Grant by the Recipient to the CTA at periodic intervals as needed for the implementation of the Project, and to be deposited into the Regional Account.

4. The Recipient shall appoint a CNP whose experience and qualifications shall be satisfactory to the Trustee. The CNP shall operate according to terms of reference satisfactory to the Trustee comprising, inter alia: (i) cooperation with CCTP in reviewing and approving the annual work plan and budget of the Project; (ii) management of the Special Account and transfer of funds into the Regional Account as needed for the implementation of the CTA's and AGEREF's responsibilities, as the case may be; (iii) supervision of Project implementation and financial administration by the CTA or AGEREF, as the case may be; (iv) preparation of service and equipment contracts in coordination with the CTA or AGEREF administrator, as the case may be; (v) negotiation of the concession of classified areas in the Project Site to AGEREF; (vi) organization of anti-poaching activities in coordination with the responsible authorities and support in the arrest and prosecution of poachers; (vii) control of professional hunting standards within the Project Site; (viii) organization of information exchange and preparation of agreements with the Côte d'Ivoire government in all matters related to Project objectives; (ix) promotion of Project design and objectives; and (x) report on the progress of Project implementation to the Recipient's Minister in charge of wildlife and other interested services.

5. The Recipient shall establish the GC, to be chaired by the Minister in charge of the Environment, with the CNP as secretary, and including: (a) all Ministries involved in Project implementation; (b) ONGs active in ecosystem management and wildlife conservation on, or in the vicinity of, the Project Site; (c) donors interested in the objectives of the Project; and (d) representatives of private sector operators concerned with the implementation of the Project. The GC shall function as a forum for information exchange on all topics relating to the Project.

6. The Recipient shall organize every three (3) months after Effective Date until completion of the Project meetings of CCTP under the chairmanship of the local Haut Commissaire assisted by a secretariat;

7. The Recipient shall cause the CTA and AGEREF, as the case may be, to prepare annually, for the first time within twelve months after Effective Date, a Project implementation plan and corresponding budget for the following year. Such plan and budget, endorsed by the CNP, to be furnished to CG for comment and, subsequently, to the Trustee for approval, whereupon it is to be executed, taking into account the Trustee's comments, if any.

8. The Recipient shall cause IUCN to provide, in accordance with the terms of an agreement satisfactory to the Trustee, regular, periodic, technical supervision and advice on Project implementation to the CTA, AVs, or AGEREF, as the case may be, in the areas of, inter alia: capacity building and human resource development, conservation of biodiversity and wildlife management, animal and habitat survey, species and habitat management, and sustainable natural resource utilization and exploitation techniques.

9. The Recipient shall cause representatives of the CTA or AGEREF, as the case may be, to meet at regular intervals, acceptable to the Trustee, with counterparts in the Republic of Côte d'Ivoire, to exchange views on the progress of the Project and the related project in the Republic of Côte d'Ivoire.

10. The Recipient shall ensure that all construction under the Project is designed and implemented according to guidelines established by CCTP, satisfactory to the Trustee, and uses culturally, aesthetically and ecologically appropriate building materials reflecting the culture and traditions of the site of construction.

Section II. Phase One

11. Under Phase One of Project implementation, the Recipient shall cause the AVs to enter into management contracts with the CTA under terms and conditions satisfactory to the Trustee. These management contracts shall include provisions relating to, inter

alia: (i) development of an information and public awareness program; (ii) organization of community training and capacity building; (iii) provision of logistical services to AVs for identification of agreed limits to village-terroirs; (iv) provision of advisory services for improved terroir management and production practices, including agro-sylvo-pastoral development; (v) implementation of habitat and wildlife management operations, including management of the classified forests; (vi) establishment of community-based habitat and wildlife survey systems; (vii) proposition, design and supervision of the rehabilitation or construction, as the case may be, of the Project's buildings, rural roads and tracks; (viii) coordination of Project implementation activities with local administration and governmental services; (ix) monitoring of the environmental impact of Project activities and Project implementation; (x) establishment of financial mechanisms for distributing Project-generated income to local communities, village groups and individual villagers; and (xi) preparation of AVs' annual work programs and budgets and submission of same to CCTP for approval; and (xii) management of AVs' accounts.

Section III. Phase Two

12. Under Phase Two of the Project implementation, the Recipient shall take all necessary actions to ensure the establishment and maintenance of AGEREF at the Project Site until completion of the Project, and satisfactory execution of AGEREF's functions which comprise, inter alia: (i) organization of community training and capacity building; (ii) implementation of information and public awareness programs; (iii) supervision of the implementation of habitat and wildlife management operations; (iv) development of community-based habitat and wildlife survey systems; and (v) coordination of the Project implementation with local, regional and central administration and technical services.

Section IV. Phase Three

13. Under Phase Three of Project implementation the Recipient shall:

- (a) have the Secretary General of AGEREF elected by the General Assembly; and
- (b) cause AGEREF to: (i) enter into technical assistance contracts with the CTA covering the subjects referred to under paragraph (11) of this Schedule, satisfactory to the Trustee; (ii) gradually, take on the CTA's functions and, notably, prepare the AVs' annual work programs and budgets and submit them to CCTP for approval; and (iii) manage AVs' accounts during and after completion of Phase Three of the Project.

SCHEDULE 5

Special Account

1. For the purposes of this Schedule:

(a) the term "eligible Categories" means Categories (1) through (4) set forth in the table in paragraph 1 of Schedule 1 to this Agreement;

(b) the term "eligible expenditures" means expenditures in respect of the reasonable cost of goods and services required for the Project and to be financed out of the proceeds of the GEF Grant or the Belgian Grant allocated from time to time to the eligible Categories in accordance with the provisions of Schedule 1 to this Agreement; and

(c) the term "Authorized Allocation" means an aggregate amount equivalent to \$250,000 to be withdrawn from the GEF Grant Account and the Belgian Grant Account, according to the ratio specified in paragraph 3 of Schedule 1 to this Agreement, and deposited into the Special Account pursuant to paragraph 3 (a) of said Schedule, provided, however, that, unless the Trustee shall otherwise agree, the Authorized Allocation shall be limited to an amount equivalent to \$125,000 for the Special Account until the aggregate amount of withdrawals and commitments for expenditures to be financed by the GEF Grant and the Belgian Grant, respectively, shall be equal to or exceed the equivalent of SDR 770,000 and 19,600,000 Belgian Francs, respectively.

2. Payments out of the Special Account shall be made exclusively for eligible expenditures in accordance with the provisions of this Schedule.

3. After the Trustee has received evidence satisfactory to it that the Special Account has been duly opened, withdrawals of the Authorized Allocations and subsequent

withdrawals to replenish the Special Account shall be made as follows:

(a) For withdrawals of the Authorized Allocations, the Recipient shall furnish to the Trustee a request or requests for deposit into the Special Account of an amount which does not exceed the aggregate amount of the respective Authorized Allocations. On the basis of such request or requests, the Trustee shall, on behalf of the Recipient, withdraw from the GEF Grant Account and the Belgian Grant Account, and deposit into the Special Account such amount or amounts as the Recipient shall have requested.

(b) (i) For replenishment of the Special Account, the Recipient shall furnish to the Trustee requests for deposits into the Special Account at such intervals as the Trustee shall specify.

(ii) Prior to or at the time of each such request, the Recipient shall furnish to the Trustee the documents and other evidence required pursuant to paragraph 4 of this Schedule for the payment or payments in respect of which replenishment is requested. On the basis of each such request, the Trustee shall, on behalf of the Recipient, withdraw from the GEF Grant Account and the Belgian Grant Account, and deposit into the Special Account such amount as the Recipient shall have requested and as shall have been shown by said documents and other evidence to have been paid out of the Special Account for eligible expenditures. All such deposits shall be withdrawn by the Trustee from the GEF Grant Account and the Belgian Grant Account under the respective eligible Categories, and in the respective equivalent amounts, as shall have been justified by said documents and other evidence.

4. For each payment made by the Recipient out of the Special Account, the Recipient shall, at such time as the Trustee shall reasonably request, furnish to the Trustee such documents and other evidence showing that such payment was made exclusively for eligible expenditures.

5. Notwithstanding the provisions of paragraph 3 of this Schedule, the Trustee shall not be required to make further deposits into the Special Account:

(a) if, at any time, the Trustee shall have determined that all further withdrawals should be made by the Recipient directly from the GEF Grant Account or the Belgian Grant Account in accordance with the provisions of Article V of the General Conditions and paragraph (a) of Section 2.02 of this Agreement;

(b) if the Recipient shall have failed to furnish to the Trustee within the period of time specified in Section 4.01 (b) (ii) of this Agreement, any of the audit reports required to be furnished to the Trustee pursuant to said Section in respect of the audit of the records and accounts for the Special Account;

(c) if, at any time, the Trustee shall have notified the Recipient of its intention to suspend in whole or in part the right of the Recipient to make withdrawals from the GEF Grant Account or the Belgian Grant Account pursuant to the provisions of Section 6.02 of the General Conditions; or

(d) once the total unwithdrawn amount of the GEF Grant and the Belgian Grant allocated to the eligible Categories of the Project shall equal the equivalent of twice the amount of the respective Authorized Allocations.

Thereafter, withdrawal from the GEF Grant Account or the Belgian Grant Account of the remaining unwithdrawn amount of the GEF Grant or the Belgian Grant allocated to the eligible Categories of the Project shall follow such procedures as the Trustee shall specify by notice to the Recipient. Such further withdrawals shall be made only after and to the extent that the Trustee shall have been satisfied that all such amounts remaining on deposit in the Special Account as of the date of such notice will be utilized in making payments for eligible expenditures.

6. (a) If the Trustee shall have determined at any time that any payment out of the Special Account: (i) was made for an expenditure or in an amount not eligible pursuant to paragraph 2 of this Schedule; or (ii) was not justified by the evidence furnished to the Trustee, the Recipient shall, promptly upon notice from the Trustee: (A) provide such additional evidence as the Trustee may request, or (B) deposit into the Special Account (or, if the Trustee shall so request, refund to the Trustee) an amount equal to the amount of such payment or the portion thereof not so eligible or justified. Unless the Trustee shall otherwise agree, no further deposit by the Trustee

into the Special Account shall be made until the Recipient has provided such evidence or made such deposit or refund, as the case may be.

(b) If the Trustee shall have determined at any time that any amount outstanding in the Special Account will not be required to cover further payments for eligible expenditures, the Recipient shall, promptly upon notice from the Trustee, refund to the Trustee such outstanding amount.

(c) The Recipient may, upon notice to the Trustee, refund to the Trustee all or any portion of the funds on deposit in the Special Account.

(d) Refunds to the Trustee made pursuant to paragraphs 6 (a), (b) and (c) of this Schedule shall be credited to the GEF Grant Account or the Belgian Grant Account for subsequent withdrawal or for cancellation in accordance with the relevant provisions of this Agreement, including the General Conditions, and the Cofinancing Agreement referred to in the Recital to this Agreement.

