Global Environment Facility
Trust Fund Grant Agreement

(Integrated Coastal and Maritime Resource Management Project)

between

REPUBLIC OF SENEGAL

and

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

Dated January 4, 2005
GEF TRUST FUND GRANT NUMBER TF054531 SE

GLOBAL ENVIRONMENT FACILITY
TRUST FUND GRANT AGREEMENT

AGREEMENT, dated January 4, 2005, between REPUBLIC OF SENEGAL
(the Recipient) and INTERNATIONAL BANK FOR RECONSTRUCTION AND
DEVELOPMENT (the Bank) acting as an implementing agency of the Global
Environment Facility (GEF) in respect of grant funds provided to the GEF Trust Fund by
certain members of the Bank as participants of the GEF.

WHEREAS (A) the Bank, pursuant to Resolution No. 91-5 of March 14, 1991 of
the Executive Directors of the Bank, established the GEF to assist in the protection of the
global environment and promote thereby environmentally sound and sustainable
economic development;

(B) following the restructuring of the GEF, such arrangements continued in
place on the basis set forth in Resolution No. 94-2 of May 24, 1994, of the Executive
Directors of the Bank establishing the GEF Trust Fund which, inter alia, established the
GEF Trust Fund and appointed the Bank as trustee of the GEF Trust Fund (Resolution
No. 94-2);

(C) the Recipient, having satisfied itself as the feasibility and priority of the
project described in Schedule 2 to this Agreement (the Project), has requested assistance
from the resources of the GEF Trust Fund in the financing of Part B of the Project, and
said request having been approved in accordance with the provisions of the Instrument
for the Establishment of the Restructured Global Environment Facility approved under
Resolution No. 94-2;

(D) the Recipient has also requested the International Development
Association (the Association) to provide additional financing for the Project by an
agreement of even date herewith between the Recipient and the Association, the
Association is agreeing to provide such assistance in an aggregate principal amount
equivalent to six million nine hundred thousand Special Drawing Rights (as hereinafter
defined) (SDR 6,900,000) (the Credit); and

WHEREAS the Bank has agreed on the basis, inter alia, of the foregoing, to
extend the GEF Trust Fund 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 for Single Currency Loans of the Bank, dated May 30, 1995 (as amended through October 6, 1999), with the modifications set forth in paragraph (b) of this Section (the General Conditions) constitute an integral part of this Agreement:

(b) (i) Article I;

(ii) Sections 2.01 (2), (3), (4), (5), (6), (7), (8), (14), (15), (16), (18) and (21), 2.02 and 2.03;

(iii) Section 3.01;

(iv) Sections 4.01 and 4.06;

(v) Article V;

(vi) Sections 6.01, 6.02 (c), (e), (f), (i) and (p), 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) Sections 12.01 (c), 12.03 and 12.04.

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

(i) the term “Bank”, wherever used in the General Conditions, other than in Sections 2.01 (6), 5.01 (a) and 6.02 (f) thereof means the Bank acting as an implementing agency of the GEF, except that in Section 6.02, the term “Bank” shall also include the Bank acting in its own capacity;

(ii) the term “Borrower”, wherever used in the General Conditions, means the Recipient;
(iii) the term “Loan Agreement”, wherever used in the General Conditions, means this Agreement;

(iv) the term “Loan” and “loan”, wherever used in the General Conditions, means the GEF Trust Fund Grant;

(v) the term “Loan Account”, wherever used in the General Conditions, means the GEF Trust Fund Grant Account;

(vi) a new subparagraph is added after subparagraph (o) in Section 6.02 of the General Conditions, as follows: “an extraordinary situation shall have arisen in which any further disbursement under the GEF Trust Fund 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, in the Development Credit Agreement of even date herewith between the Association and the Recipient, and in the Recitals to this Agreement have the respective meanings therein set forth, and the following additional terms have the following meanings:

(a) “Beneficiary” means a local community, including a CBO, in a Project implementation area;

(b) “Biosphere Reserve” means a specific area of the Recipient’s territory which has been recognized to constitute a biosphere reserve in accordance with the UNESCO Man and Biosphere Program of 1970;

(c) “CBO” means a community-based organization established and operating pursuant to the laws of the Recipient;

(d) “Comité de Pilotage” means the steering committee established on July 27, 2004 by the Recipient to oversee the implementation of the Recipient’s Program;

(e) “COMO” means Cellule Opérationnelle de Mise en Oeuvre, an operational implementation cell for the Project, established within DPN;

(f) “Development Credit Agreement” means the agreement of even date herewith between the Recipient and the Association for the Project, as such agreement may be amended from time to time; and such term includes the “General Conditions Applicable to Development Credit Agreements” of the Association, dated January 1, 1985 (as amended through May 1, 2004), as
applied to such agreement, and all schedules and agreements supplemental to the Development Credit Agreement;

(g) “DPN” means Direction des Parcs Nationaux, a directorate of MEPN;

(h) “EA” means the Environmental Assessment of Project activities prepared by the Recipient for purposes of implementing the Project;

(i) “Ecosystem Management Committee” means the committee to be established under the Project through law of the Recipient and to be made responsible for overseeing the preparation, and monitor the implementation, of an ecosystem management plan for each of the Recipient’s pilot areas selected under the Project;

(j) “Eligible Categories” means Categories (1) through (6) set forth in the table in Part A.1 of Schedule 1 to this Agreement;

(k) “Eligible Expenditures” means the expenditures for goods, works and consultants’ services referred to in Section 2.02 of this Agreement;

(l) “EMP” means the Environmental Management Plan prepared by the Recipient for the mitigation of adverse environmental outcomes arising out of Project implementation;

(m) “FCFA” means Franc de la Communauté Financière Africaine, the currency of the Recipient;

(n) “Financial Monitoring Report” or “FMR” means each report prepared in accordance with Section 4.02 of the Development Credit Agreement;

(o) “Fiscal Year” and “FY” mean the fiscal year of the Recipient commencing January 1 and ending December 31;


(q) “National Biodiversity Committee” and “NBC” mean the committee established by Law No 00/325 of the Recipient dated January 26, 2004 and responsible for matters of biodiversity in the territory of the Recipient under the administrative authority of MEPN;

(r) “NGO” means a Non Governmental Organization operating under the laws of the Recipient;
(s) “PCU Work Program” means the work program of PCU for each Fiscal Year during Project implementation, including budget and procurement plans in respect thereof, to be approved annually by the Steering Committee;

(t) “PCU” means the Project Coordinating Unit acting as secretariat to the Steering Committee, as further referred to in paragraph 2 of Schedule 4 to this Agreement;

(u) “PIM” means the Project Implementation Manual to be adopted by the Recipient not later than the Effective Date and setting forth, *inter alia*, detailed description of, and institutional arrangements for Project activities, criteria, terms and conditions for Subprojects, guidelines and procedures to be used for the purpose of implementing the Project and specifically Part (B) thereof which implementation is the purpose of this GEF Agreement, including financial, accounting, procurement, communication, monitoring and evaluation, and disbursement procedures in respect of the Project, as may be amended from time to time in consultation with the Bank, and such term includes the Project Implementation Plan and any schedules to the PIM;

(v) “Procurement Plan” means the Recipient’s procurement plan, dated July 9, 2004, covering the initial 18 month period (or longer) of Project implementation, as the same shall be updated annually in accordance with the provisions of Section 3.02 to this Agreement, to cover succeeding 18 month periods (or longer) of Project implementation;

(w) “Report-based Disbursements” means the Recipient’s option for withdrawal of funds from the GEF Trust Fund Grant Account referred to in Part A.6 of Schedule 1 to this Agreement;

(x) “RPF” means the Resettlement Policy Framework and the process framework prepared for the Project;

(y) “Special Account” means the account referred to in Section B.1 of Schedule 1 to this Agreement;

(z) “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;

(aa) “Subproject Agreement” means the agreement entered into between DPN and a Beneficiary for the carrying out of Subprojects under Part B.1 (a) of this Agreement; and

(bb) “Subproject” means community-based activities in the context of the implementation of an ecosystem management plan, determined to be eligible
pursuant to criteria set forth in the PIM and to be carried out by, or for the benefit of, such Beneficiary, utilizing the proceeds of a Grant made under Part B.1 (a) of the Project.
ARTICLE II

The GEF Trust Fund Grant

Section 2.01. The Bank agrees to make available to the Recipient, on the terms and conditions set forth or referred to in this Agreement, the GEF Trust Fund Grant in an amount of five million United States Dollars (US$ 5,000,000).

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

Section 2.03. The Closing Date shall be June 1, 2010 or such later date as the Bank shall establish. The Bank 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 Part B of the Project through PCU with due diligence and efficiency and in conformity with appropriate environmental, administrative, and financial practices, 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 Bank shall otherwise agree, the Recipient shall carry out Part B of the Project in accordance with the Implementation Program set forth in Schedule 4 to this Agreement.

Section 3.02. (a) Except as the Bank 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 Trust Fund Grant shall be governed by the provisions of Schedule 4 to this Agreement, as said provisions may be further elaborated in the Procurement Plan.

(b) The Recipient shall update the Procurement Plan in accordance with terms of reference acceptable to the Bank, and furnish such update to the Bank not
later than 12 months after the date of the preceding Procurement Plan, for the Bank’s approval.

Section 3.03. For the purposes of Section 9.06 of the General Conditions and without limitation thereto, the Recipient shall:

(a) prepare, on the basis of guidelines acceptable to the Bank, and furnish to the Bank 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 Bank, a plan designed to ensure the continued achievement of Project’s objectives; and

(b) afford the Bank a reasonable opportunity to exchange views with the Recipient on said plan.

Section 3.04. (a) The Recipient shall open and maintain, for the duration of the Project, an account (the Project Account) in its Treasury books, on terms and conditions satisfactory to the Bank;

(b) promptly thereafter, make an initial deposit into the Project Account, in an amount equivalent to FCFA 16,000,000, to finance the Recipient’s estimated share of counterpart funds for the implementation of Part B of the Project;

(c) thereafter deposit into the Project Account by February 15 in each Fiscal Year during Project implementation such amount as shall be required to timely replenish the Project Account back to the amount of the initial deposit referred to in paragraph (b) above; and

(d) ensure that amounts deposited into the Project Account shall be used exclusively to make payments to meet expenditures made or to be made in respect of the reasonable cost of goods, works, and services for the implementation of Part B of the Project in addition to those financed from the proceeds of the Grant.

ARTICLE IV

Financial Conditions

Section 4.01. (a) The Recipient shall establish and maintain a financial management system, including records and accounts, and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Bank, adequate to reflect the operations, resources and expenditures related to the Project.

(b) The Recipient shall:

(i) have the financial statements referred to in paragraph (a) of this Section for each fiscal year (or other period agreed to by the
Bank), audited, in accordance with consistently applied auditing standards acceptable to the Bank, by independent auditors acceptable to the Bank;

(ii) furnish to the Bank as soon as available, but in any case not later than six months after the end of each such year (or such other period agreed to by the Bank), (A) certified copies of the financial statements referred to in paragraph (a) of this Section for such year (or other period agreed to by the Bank), as so audited, and (B) an opinion on such statements by said auditors, in scope and detail satisfactory to the Bank; and

(iii) furnish to the Bank such other information concerning such records and accounts, and the audit of such financial statements, and concerning said auditors, as the Bank may from time to time reasonably request.

(c) For all expenditures with respect to which withdrawals from the GEF Trust Fund Grant Account were made on the basis of reports referred to in Part A.6 of Schedule 1 to this Agreement (Report-based Disbursements) or on the basis of statements of expenditure, the Recipient shall:

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

(ii) enable the Bank’s representatives to examine such records; and

(iii) ensure that such reports and statements of expenditure are included in the audit for each fiscal year (or other period agreed to by the Bank), referred to in paragraph (b) of this Section.

Section 4.02. (a) Without limitation upon the Recipient’s progress reporting obligations set out in paragraph 8 of Schedule 4 to this Agreement, the Recipient shall prepare and furnish to the Bank a financial monitoring report, in form and substance satisfactory to the Bank, which:

(i) sets forth sources and uses of funds for the Project, both cumulatively and for the period covered by said report, showing separately funds provided under the Grant, and explains variances between the actual and planned uses of such funds;
(ii) describes physical progress in Project implementation, both cumulatively and for the period covered by said report, and explains variances between the actual and planned Project implementation; and

(iii) sets forth the status of procurement under the Project, as at the end of the period covered by said report.

(b) The first FMR shall be furnished to the Bank not later than 45 days after the end of the first calendar quarter after the Effective Date, and shall cover the period from the incurrence of the first expenditure under the Project through the end of such first calendar quarter; thereafter, each FMR shall be furnished to the Bank not later than 45 days after each subsequent calendar quarter, and shall cover such calendar quarter.

ARTICLE V

Effectiveness; Termination

Section 5.01. The following events are specified as conditions to the effectiveness of the GEF Trust Fund Grant within the meaning of Section 12.01 (c) of the General Conditions, namely that all conditions precedent to the effectiveness of the Development Credit Agreement of even date herewith between the Recipient and the Association shall have been fulfilled, except the effectiveness of this Agreement.

Section 5.02. The date ninety (90) days after the date of this Agreement is hereby specified for the purposes of Section 12.04 of the General Conditions.

Section 5.03. This Agreement shall continue in effect until the GEF Trust Fund Grant has been fully disbursed and the parties to this Agreement have fulfilled their obligations hereunder.
ARTICLE VI

Representatives of the Recipient; Addresses

Section 6.01. The Minister at the time responsible for finance of the Recipient is designated as representative of the Recipient for the purposes of Section 11.03 of the General Conditions.

Section 6.02 The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Recipient:

Ministry of Economy and Finance
Rue René N'diaye
B.P. 4017
Dakar
Senegal

Cable address: MINIFINANCES Telex: 3203 G Fascimile: 221-821-1630
Dakar

For the Bank:

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

Cable address: INTBAFRAD Telex: 248423 (MCI) Fascimile: (202) 477 6391
Washington, D.C. 64145 (MCI)
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.

REPUBLIC OF SENEGAL

By /s/ Dr. Lamine BA

Authorized Representative

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
as an implementing agency of the Global Environment Facility

By /s/ Mahmood A. Ayub

Authorized Representative
SCHEDULE 1
Withdrawal of the Proceeds of the GEF Trust Fund Grant

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

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the GEF Trust Fund Grant Allocated (Expressed in US Dollars)</th>
<th>% of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Works</td>
<td>210,000</td>
<td>100% of foreign expenditures, and 90% of local expenditures</td>
</tr>
<tr>
<td>(2) Goods</td>
<td>590,000</td>
<td>100% of foreign expenditures, and 90% of local expenditures</td>
</tr>
<tr>
<td>(3) Consultants’ services, and audits</td>
<td>1,590,000</td>
<td>100% of foreign expenditures, and 90% of local expenditures</td>
</tr>
<tr>
<td>(4) Grants under Part B.1 (a) of the Project</td>
<td>1,110,000</td>
<td>100% of amounts disbursed</td>
</tr>
<tr>
<td>(5) Training</td>
<td>170,000</td>
<td>100%</td>
</tr>
<tr>
<td>(6) Operating costs</td>
<td>830,000</td>
<td>90%</td>
</tr>
<tr>
<td>(7) Unallocated</td>
<td>500,000</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>5,000,000</td>
<td></td>
</tr>
</tbody>
</table>
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 Recipient for goods or services supplied from the territory of any country other than that of the Recipient;

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

(c) the term “operating costs” means the incremental expenses incurred on account of Project implementation, including office equipment and supplies, vehicle operation and maintenance, communication and insurance costs, office administration costs, utilities, travel, per diem and supervision costs, and salaries of locally contracted employees, but excluding salaries of officials of the Recipient's civil service.

3. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of:

(i) payments made for expenditures made prior to the date of this Agreement, and

(ii) category (4), unless a Subproject Agreement has been entered into between MEPN and a Beneficiary in accordance with the procedures and the terms and conditions referred to in Schedule 4 to this Agreement and in the PIM, including all environmental mitigation measures and resettlement procedures in respect thereof set forth in the Project Implementation Manual, the ESMF and the RPF, as shall be evidenced by the first 3 such Subproject Agreements furnished to the Association for its prior approval.

4. The Association may require withdrawals from the GEF Trust Fund Grant Account to be made on the basis of statements of expenditure for expenditures under contracts for: (a) goods costing less than $150,000 equivalent per contract; (b) works costing less than $500,000 equivalent per contract; (c) services of individual consultants costing less than $50,000 equivalent per contract; (d) services of consulting firms under contracts costing less than $100,000 equivalent per contract, (e) services other than consultant services costing less than $30,000 equivalent per contract, (f) Subprojects costing less than $50,000 per Subproject Agreement, and (g) training and operating costs, all under such terms and conditions as the Bank shall specify by notice to the Recipient.

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

6. The Recipient may request withdrawals from the GEF Trust Fund Grant Account to be made on the basis of reports to be submitted to the Bank in form and substance satisfactory to the Bank, such reports to include the FMR and any other information as the Bank shall specify by notice to the Recipient (Report-based Disbursements). In the case of the first such request submitted to the Bank before any withdrawal has been made from the GEF Trust Fund Grant Account, the Recipient shall submit to the Bank only a statement with the projected sources and applications of funds for the Project for the six-month period following the date of such request.

B. Special Account

1. The Recipient may open and maintain in FCFA a special deposit account in a commercial bank acceptable to the Bank, on terms and conditions satisfactory to the Bank, including appropriate protection against set-off, seizure and attachment.

2. After the Bank has received evidence satisfactory to it that the Special Account has been opened, withdrawals from the GEF Trust Fund Grant Account of amounts to be deposited into the Special Account shall be made as follows:

   (a) if the Recipient is not making Report-based Disbursements, withdrawals shall be made in accordance with the provisions of Annex A to this Schedule 1; and

   (b) if the Recipient is making Report-based Disbursements, withdrawals shall be made in accordance with the provisions of Annex B to this Schedule 1.

3. Payments out of the Special Account shall be made exclusively for Eligible Expenditures. For each payment made by the Recipient out of the Special Account, the Recipient shall, at such time as the Bank shall reasonably request, furnish to the Bank such documents and other evidence showing that such payment was made exclusively for Eligible Expenditures.

4. Notwithstanding the provisions of Part B.2 of this Schedule, the Bank shall not be required to make further deposits into the Special Account:

   (a) if the Bank, at any time, is not satisfied that the reports referred to in Part A.6 of this Schedule 1 adequately provide the information required for Report-based Disbursements;

   (b) if the Bank determines at any time that all further withdrawals for payment of Eligible Expenditures should be made by the Recipient directly from the GEF Trust Fund Grant Account; or
(c) if the Recipient shall have failed to furnish to the Bank, 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 Bank pursuant to said Section in respect of the audit of: (A) the records and accounts for the Special Account; or (B) the records and accounts reflecting expenditures with respect to which withdrawals were Report-based Disbursements or were made on the basis of statements of expenditure, as the case may be.

5. The Association shall not be required to make further deposits into the Special Account in accordance with the provisions of Part B.2 of this Schedule if, at any time, the Bank 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 Trust Fund Grant Account pursuant to Section 6.02 of the General Conditions. Upon such notification, the Bank shall determine, in its sole discretion, whether further deposits into the Special Account may be made and what procedures should be followed for making such deposits, and shall notify the Recipient of its determination.

6. (a) If the Bank determines at any time that any payment out of the Special Account was made for an expenditure which is not an Eligible Expenditure, or was not justified by the evidence furnished to the Bank, the Recipient shall, promptly upon notice from the Bank, provide such additional evidence as the Bank may request, or deposit into the Special Account (or, if the Bank shall so request, refund to the Bank) an amount equal to the amount of such payment. Unless the Bank shall otherwise agree, no further deposit by the Bank 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 Bank determines at any time that any amount outstanding in the Special Account will not be required to cover payments for Eligible Expenditures during the six-month period following such determination, the Recipient shall, promptly upon notice from the Bank, refund to the Bank such outstanding amount.

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

(d) Refunds to the Bank made pursuant to subparagraph (a), (b) or (c) of this paragraph 6 shall be credited to the GEF Trust Fund Grant Account for subsequent withdrawal or for cancellation in accordance with the provisions of this Agreement.
Annex A

to

SCHEDULE 1

Operation of Special Account
When Withdrawals Are Not
Report-based Disbursements

1. For the purposes of this Annex, the term “Authorized Allocation” means the amount of FCFA 280,000,000 to be withdrawn from the GEF trust Fund Grant Account and deposited into the Special Account pursuant to paragraph 2 of this Annex, provided, however, that unless the Association shall otherwise agree, the Authorized Allocation shall be limited to an amount equivalent to FCFA 140,000,000 until the aggregate amount of withdrawals from the GEF Trust Fund Grant Account plus the total amount of all outstanding special commitments entered into by the Bank pursuant to Section 5.02 of the General Conditions shall be equal to or exceed the equivalent of $700,000.

2. Withdrawals of the Authorized Allocation and subsequent withdrawals to replenish the Special Account shall be made as follows:

   (a) For withdrawals of the Authorized Allocation, the Recipient shall furnish to the Bank a request or requests for deposit into the Special Account of an amount or amounts which in the aggregate do not exceed the Authorized Allocation. On the basis of each such request, the Bank shall, on behalf of the Recipient, withdraw from the GEF Trust Fund Grant Account and deposit into the Special Account such amount as the Recipient shall have requested.

   (b) For replenishment of the Special Account, the Recipient shall furnish to the Bank requests for deposit into the Special Account at such intervals as the Bank shall specify. Prior to or at the time of each such request, the Recipient shall furnish to the Bank the documents and other evidence required pursuant to Part B.3 of Schedule 1 to this Agreement for the payment or payments in respect of which replenishment is requested. On the basis of each such request, the Bank shall, on behalf of the Recipient, withdraw from the GEF Trust Fund 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. Each such deposit into the Special Account shall be withdrawn by the Bank from the GEF Trust Fund Grant Account under one or more of the Eligible Categories.

3. The Bank shall not be required to make further deposits into the Special Account, once the total unwithdrawn amount of the GEF Trust Fund Grant minus the total amount of all outstanding special commitments entered into by the Bank pursuant to Section 5.02 of the General Conditions shall equal the equivalent of twice the amount of the Authorized

Allocation. Thereafter, withdrawal from the GEF Trust Fund Grant Account of the remaining unwithdrawn amount of the GEF Trust Fund Grant shall follow such procedures as the Bank shall specify by notice to the Recipient. Such further withdrawals shall be made only after and to the extent that the Bank 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.
Annex B

to

SCHEDULE 1

Operation of Special Account
When Withdrawals Are
Report-based Disbursements

1. Withdrawals from the GEF Trust Fund Grant Account shall be deposited by the Bank into the Special Account in accordance with the provisions of Schedule 1 to this Agreement. Each such deposit into the Special Account shall be withdrawn by the Bank from the GEF Trust Fund Grant Account under one or more of the Eligible Categories.

2. Upon receipt of each application for withdrawal of an amount of the GEF Trust Fund Grant, the Bank shall, on behalf of the Recipient, withdraw from the GEF Trust Fund Grant Account and deposit into the Special Account an amount equal to the lesser of: (a) the amount so requested; and (b) the amount which the Bank has determined, based on the reports referred to in Part A.6 of this Schedule 1, applicable to such withdrawal application, is required to be deposited in order to finance Eligible Expenditures during the six-month period following the date of such reports.
SCHEDULE 2

Description of the Project

The objectives of the Project are to assist the communities within the Recipient’s territory in achieving sustainable management of the Recipient’s coastal and marine resources, including ensuring responsible exploitation of resources combined with protection of ecosystems and ecological processes critical for their replenishment.

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

Part A: Management of Sustainable Fisheries

1. Supporting activities at national level which enable implementation of local Co-Management initiatives through:

   (a) the carrying out of studies to evaluate fisheries sector policy options available to the Recipient, including the establishment of user-rights systems and the establishment of CLPs, the ensuing preparation, through stakeholder participatory process and consensus building activities carried out under the aegis of CNCPM, of a strategic framework for the management of fisheries in the territory of the Recipient;

   (b) (i) the preparation by COMO in cooperation with CRODT and with prior review by CNCPM, and the ensuing implementation of 2 or more selected target fisheries management plans, to include, inter alia, the total allowable catch for each target species, the allocation of resources between artisanal and industrial fleets, the limitation on industrial fishing activities, the reduction target in fishing capacity, the local management, monitoring, and surveillance measures, the action plan for compensating fishermen negatively affected by the implementation of such plans; and (ii) the carrying out of annual monitoring and evaluation activities with respect to the implementation of each plan;

   (c) the provision of support and technical advisory services to the institutional strengthening and the operations of CNCPM with respect to the review of each of the 2 or more key fisheries management plans and the attainment of a stakeholder consensus, including CLPs;

   (d) the preparation, in cooperation with NGOs, of an IEC plan, and thereafter, the carrying out of a related campaign to increase awareness of fisher communities, professional organizations, and interested audience over the principles and benefits to be derived from co-management systems promoted under the Project, including CM;
(e) (i) the preparation by COMO of an incremental program of fisheries research specifically targeted at defining the life cycles of key demersal species, including the development of an operational planning framework for research designed to support national level management plans and local level co-management, including CM, and to evaluate the socioeconomic impact of such plans, and thereafter; and (ii) the implementation of such program by CRODT; and

(f) (i) the establishment and, thereafter, the implementation of a nationwide system of small boat (pirogues) registration to evaluate and monitor artisanal fishing operations, including the preparation of updated legislation in that matter; and (ii) the building of capacity therefore in MEM’s staff, including through training and acquisition of goods.

2. Promoting and coordinating local co-management initiatives through:

(a) the establishment of CLPs, and the provision of support for the identification and preparation of CLPs Subprojects;

(b) the provision of support to CLPAs to integrate Subprojects in their own annual management plans for approval by DPM, including the monitoring, control and surveillance in relation thereto, through:

(i) the training of facilitators recruited under the Project to assist in the establishment of CLPs and the preparation of their Subprojects, including participatory fish stock evaluation activities in respect thereof;

(ii) the preparation by COMO of baseline social, economic and political studies to support the identification of and reduce the risks associated with the implementation of the Subprojects;

(iii) the provision of technical advisory services by facilitators for assisting CLPs in the implementation of eligible Subprojects, including the carrying out of civil works and the acquisition of goods in relation thereto;

(c) the design and implementation of local level monitoring, control and surveillance measures and systems, including, inter alia, the participatory monitoring of fish catches and surveillance;

(d) the carrying out by CRODT of local fish stock evaluation programs prepared by DPM, including, inter alia, assessment of local maritime ecosystems, geographic areas of proposed Subprojects, or impact evaluation of Subprojects on targeted resources;
(e) (i) the drafting of operating rules for the functioning of CLPs, the elaboration of their annual management plans, and (ii) the carrying out of independent evaluation regarding the implementation of such plans;

(f) the development of a monitoring system for the performance of the co-management system, including, *inter alia*, with respect to measuring annual progress on meeting objectives of the Subproject Agreements between MEM and CLPs; and

(g) (i) the assessment of activities carried out under the co-management system in selected sites of the Recipient’s territory, and (ii) the ensuing update of the legal, institutional and regulatory framework in accordance with the findings of such assessment.

3. **Strengthening institutional capacity of MEM and CRODT through:**

   (a) the establishment of COMO in DPM to oversee the implementation of Project activities in each of the selected sites of the Recipient’s territory; and

   (b) the provision of technical advisory services for the design of participatory research programs for co-management initiatives, including the carrying out of training programs in relation thereto for staff of MEM and CRODT.

4. **Building capacity of professional organizations in:**

   the design and planning of co-management systems and in sector development, to foster a more effective participation of said organizations in CNCPM, through training programs organized by COMO.

**Part B: Conservation of Critical Habitats and Species**

Improving the long-term management of the Recipient’s Biosphere Reserves and network of coastal protected areas through:

1. **The management of the ecosystems in selected areas of the Recipient’s territory through:**

   (a) the preparation of management plans using an ecosystem approach and, thereafter, the implementation of such plans in the selected areas of: (i) the *Saloum* Delta Biosphere Reserve, (ii) the Senegal River Delta Biosphere Reserve, and (iii) the *Cap-Vert* Peninsula; and

   (b) the establishment and operation, in said areas, of ecosystem management committees to participate in decision-making processes
concerning the management of the sites’ ecosystems and biodiversity and to oversee the preparation and monitoring of such plans, and the goals and priority investments contained therein.

2. **The strengthening of the biodiversity conservation framework, through:**

   (a) the modernization of the legal and regulatory framework in respect thereof;

   (b) the institutional restructuring of DPN, including: (i) the building of capacity of selected categories of staff, in biodiversity management techniques, participatory planning and communication strategies, and (ii) the acquisition of equipment in relation thereto; and

   (c) the provision of support for the establishment and operation of: (i) NBC, to be established under the revised legal framework for the monitoring, evaluation and public disclosure of the state of biodiversity in Senegal, and (ii) a biodiversity information system for the management of data and records from said monitoring and evaluation.

**Part C: Support for Project Implementation**

1. **Ensuring optimal implementation of Project activities through:**

   (a) the establishment of a monitoring and evaluation system to be used by PCU for overall Project performance and impact, using appropriate indicators therefore;

   (b) the provision of support for the operation of the *Comité de pilotage*, STC, and selected advisory and technical committees and commissions to ensure coordination among the various institutions participating in Project implementation;

   (c) the design and implementation of a communication plan to disseminate and collect information about Project activities; and

   (d) the carrying out of partnerships at sub-regional level between PCU and institutions or structures of other countries involved in activities similar as those being implemented under the Project.

* * *

The Project is expected to be completed by December 1, 2009.
SCHEDULE 3

Procurement

Section I  General

A. All goods, works and services (other than consultants’ services) shall be procured in accordance with the provisions of Section I of the “Guidelines for Procurement under IBRD Loans and IDA Credits” dated May 2004 (the Procurement Guidelines), and with the provisions of this Schedule.

B. All consultants’ services shall be procured in accordance with Section I, paragraphs 3.15 through 3.20, and Section IV of, and Appendix 2 to, the “Guidelines: Selection and Employment of Consultants by World Bank Recipients” dated May 2004 (the Consultant Guidelines), and with the provisions of this Schedule.

Section II  Particular Methods of Procurement of Goods, Works and Services (other than Consultants’ Services)

A. International Competitive Bidding. Except as otherwise provided in Part B of this Section, contracts shall be awarded on the basis of international competitive bidding in accordance with the provisions of Section II and paragraphs 3.14 and 3.15 of the Procurement Guidelines, and the following additional procedures:

   Domestic Preference. The provisions of paragraphs 2.55 and 2.56 of the Procurement Guidelines and Appendix 2 thereto, providing for domestic preference in the evaluation of bids, shall apply to goods manufactured in the territory of the Recipient and works to be carried out by domestic contractors.

B. Other Procurement Procedures

1. National Competitive Bidding. Goods estimated to cost less than $200,000 equivalent per contract and works estimated to cost less than $500,000 equivalent per contract, may be procured under contracts awarded on the basis of national competitive bidding in accordance with the provisions of paragraphs 3.1, 3.3, 3.4, 3.14 and 3.15 of the Procurement Guidelines

2. Shopping. Goods and works estimated to cost less than $50,000 equivalent per contract, respectively, may be procured under contracts awarded on the basis of shopping procedures in accordance with the provisions of paragraphs 3.1 and 3.5 of the Guidelines.

3. Direct Contracting. Goods and works which meet the requirements for direct contracting referred to in paragraphs 3.1, 3.6 and 3.7 of the Procurement Guidelines may,
with the Bank’s prior agreement, be procured in accordance with the provisions of said paragraphs.

4. **Procurement from UN Agencies.** Goods estimated to cost less than $100,000 equivalent per contract may be procured directly from the Inter-Agency Procurement Services Office of the United Nations in accordance with the provisions of paragraphs 3.1 and 3.9 of the Procurement Guidelines.

**Section III. Particular Methods of Procurement of Consultants’ Services**

A. **Quality- and Cost-based Selection.** Except as otherwise provided in Part B of this Section, consultants’ services shall be procured under contracts awarded on the basis of quality and cost in accordance with the provisions of Section II of the Consultant Guidelines. For purposes of paragraph 2.7 of the Consultant Guidelines, the short list of consultants for services estimated to cost less than $100,000 equivalent per contract may comprise entirely national consultants.

B: **Other Procedures**

1. **Selection Based on Consultants’ Qualifications.** Services estimated to cost less than $50,000 equivalent per contract may be procured under contracts awarded in accordance with the provisions of paragraphs 3.1, 3.7 and 3.8 of the Consultant Guidelines.

2. **Single Source Selection.** Services for tasks in circumstances which meet the requirements of paragraph 3.10 of the Consultant Guidelines for single source selection, may, with the Bank’s prior agreement, be procured in accordance with the provisions of paragraphs 3.9 through 3.13 of the Consultant Guidelines.

3. **Individual Consultants.** Services for assignments that meet the requirements set forth in the first sentence of paragraph 5.1 of the Consultant Guidelines may be procured under contracts awarded to individual consultants in accordance with the provisions of paragraphs 5.2 through 5.3 of the Consultant Guidelines. Under the circumstances described in paragraph 5.4 of the Consultant Guidelines, such contracts may be awarded to individual consultants on a sole-source basis in accordance with the provisions of said paragraph 5.4, subject to prior approval of the Bank.

**Section IV. Review by the Bank of Procurement Decisions**

A. **Prior Review.** Except as the Bank shall otherwise determine by notice to the Recipient, the following prior review procedures shall apply:

1. **Goods, Works and Services (other than Consultants’ Services).**

   (a) The prior review procedures set forth in paragraphs 2, 3 and 5 of Appendix 1 to the Procurement Guidelines shall apply to each contract for goods, works
and services (other than consultants’ services) estimated to cost the equivalent of, respectively, $150,000, $500,000, and $30,000 or more, procured on the basis of international competitive bidding, or national competitive bidding.

(b) The following prior review procedures shall apply to each contract to be procured on the basis of direct contracting: (i) prior to the execution of the contract, the Recipient shall provide to the Bank a copy of the specifications and the draft contract for its approval; (ii) the contract shall be awarded only after the Bank’s approval shall have been given; and (iii) the procedures set forth in paragraphs 2 (h) and 3 of Appendix 1 to the Guidelines shall apply.

2. **Consultants’ Services Provided by Firms.**

(a) The prior review procedures set forth in paragraphs 2, 3, and 5 of Appendix 1 to the Consultant Guidelines shall apply to each contract for consultants’ services provided by a firm estimated to cost the equivalent of $100,000 or more.

(b) The following prior review procedures shall apply to each contract for consultants’ services provided by a firm to be procured on the basis of single source selection: (i) the qualifications, experience, terms of reference and conditions of employment of the consultants shall be furnished to the Bank for its prior review and approval; (ii) the contract shall be awarded only after the Bank’s approval shall have been given; and (iii) the provisions of paragraphs 3 and 5 of Appendix 1 to the Consultant Guidelines shall apply to the contract.

3. **Consultants’ Services Provided by Individual Consultants.**

(a) The following prior review procedures shall apply to each contract for the employment of individual consultants (other than consultants to be selected on a sole source basis) estimated to cost the equivalent of $50,000 or more: (i) the report on the comparison of the qualifications and experience of candidates, terms of reference and conditions of employment of the consultant shall be furnished to the Bank for its prior review and approval; (ii) the contract shall be awarded only after the Bank’s approval shall have been given; and (iii) the provisions of paragraph 3 and 5 of Appendix 1 to the Consultant Guidelines shall apply to the contract.

(b) The following prior review procedures shall apply to each contract for the employment of individual consultants to be selected on a sole source basis: (i) the qualifications, experience, terms of reference and conditions of employment of the consultants shall be furnished to the Bank for its prior review and approval; (ii) the contract shall be awarded only after the Bank’s approval shall have been given; and (iii) the provisions of paragraph 3 of Appendix 1 to the Consultant Guidelines shall apply to the contract.
B. Post Review

1. With respect to each contract for goods, works or services (other than consultants’ services) not governed by Part A of this Section, the post review procedures set forth in paragraph 4 of Appendix 1 to the Procurement Guidelines shall apply.

2. In respect to each contract for consultants’ services not governed by Part A of this Section, the post review procedures set forth in paragraph 4 of Appendix 1 to the Consultant Guidelines shall apply.
SCHEDULE 4

Implementation Program

I. Institutional Arrangements

1. The Recipient shall establish, and thereafter maintain at all times during Project implementation:

Project Coordination Unit

(a) responsible for the coordination of Project activities, including financial management, reporting and procurement in respect thereof;

(b) with staff having and maintaining throughout Project implementation qualifications, experience, work performance, and professional ethical standards satisfactory to the Association;

(c) subject to the monitoring and supervision of the Comité de pilotage, which will have sole authority to review, approve, and monitor the implementation of PCU’ annual Work Programs;

Cellules Opérationnelles de Mise en Œuvre

(d) COMOs within DPM and DPN respectively, with assigned personnel having qualifications and experience satisfactory to the Association;

Comité de pilotage

(e) consisting of various representatives of selected Ministries of the Recipient, and representatives of: (i) a community-based NGO; (ii) an international NGO; (iii) artisanal fisheries; and (iv) industrial fisheries, not exceeding 17 members in total;

(f) responsible for overseeing Project implementation and coordination;

(g) co-chaired respectively by MEM and MEPN;

(h) with secretariat functions carried out by the Project Coordinator;

(i) under the administrative authority of MEPN to which it will report periodically;
The Ecosystem Management Committee

(j) consisting, (i) in its majority, of representatives of local communities and stakeholders, and (ii) as well, of representatives of local fisheries and local national parks administrations;

(k) chaired by a representative of local communities and stakeholders;

(l) staffed with a Secretary designated from amongst the commissioners of protected areas included in the 3 Project areas;

The Technical and Scientific Committee

(m) consisting of various representatives of the sector not exceeding 25 in number, all possessing the qualifications and experience pertinent to the provision of technical advice and guidance in sector research; and

(n) chaired by a scientific expert of national or international repute.

II. Execution covenants

Subprojects

2. The Recipient shall maintain during Project implementation: (i) the PIM for the implementation of the Project; (ii) take all measures necessary to ensure that the Project is carried out in conformity with the PIM; and (iii) unless the Association agrees to otherwise in writing, not amend or waive any provision thereof which in the opinion of the Association may materially and adversely affect the implementation of the Project.

3. Without limitation to the provisions of paragraph 2 of this Schedule, no Subproject for the carrying out of Part B.1 (a) of the Project shall be eligible for financing out of the proceeds of the Grant unless: (a) a Biodiversity committee shall have determined, on the basis of an appraisal conducted in accordance with the guidelines set forth in the Project Implementation Manual, after which approval shall be received from DPN, that the Subproject concerned satisfies the eligibility criteria specified in the Project Implementation Manual, which shall include the following:

(a) the Subproject shall be for, inter alia, the establishment of allowable catch for certain species of fisheries, the development of monitoring and control systems for allocating target fisheries among registered fishermen;

(b) except as the Association shall otherwise agree, a Beneficiary shall provide not less than 5% of the estimated capital costs of the Subproject in the form of materials, labor or other services;
(c) each Subproject shall be prepared in accordance with the procedures set forth in the RPF and the EMP and shall be designed, executed and carried out in full compliance with the standards set forth in the EMP, the RPF and the laws of the Recipient relating to safety and environmental protection; and

(d) the acquisition of land or other assets for the implementation of any Subproject and the determination and payment of compensation therefore, including the compensation for loss of income, shall be carried out in accordance with the principles and procedures set forth in the RPF.

B. Subproject Agreements

4. (a) In financing the carrying out of a Subproject under Part B.1 (a) of the Project, MEPN shall enter into a Subproject Agreement with a Beneficiary.

(b) The Subproject Agreement, shall set forth the respective obligations of the parties thereunder which are specified in the Project Implementation Manual, under terms and conditions which shall include the following:

(i) financing for a Subproject shall be on a grant basis, not to exceed $50,000 equivalent per Subproject Agreement;

(ii) the requirement that the goods, works, and services to be financed out of the proceeds of the Subproject Agreement be procured and paid by MEPN, in conformity with the provisions set forth in Schedule 3 to this Agreement and that such goods, works and services shall be used exclusively in the carrying out by Beneficiaries of the relevant Subproject;

(iii) the requirement that the proceeds of the Subproject Agreement be used for the exclusive benefit of the Beneficiaries concerned and for the purposes specified in each Subproject;

(iv) the requirement that MEPN maintain for Beneficiaries pursuant to Subproject Agreements a separate accounting and financial management system, including records and separate accounts reflecting the operations, resources and expenditures related to the carrying out of each Subproject;

(v) the requirement that the implementation progress for each Subproject be furnished to MEPN and the Association, each calendar quarter in each FY;

(vi) the right of MEPN to inspect by themselves or jointly with the Association the services, goods, works and constructions
financed under the relevant Subproject, the operation thereof and any record or relevant document; and

(vii) the right of MEPN to suspend or terminate the right of a Beneficiary to use the goods, works, and services financed out of the proceeds of the Grant upon failure by such Beneficiary to perform any of its obligations under the Subproject Agreement.

5. The Recipient shall ensure that PCU Work Programs are submitted annually and approved by the Steering Committee before their implementation.

6. The Recipient shall ensure that the National Biodiversity Committee prepares and furnishes to MEPN and the Association annual reports, in form and substance satisfactory to the Association.

7. Not later than January 1, 2005, the Recipient shall establish a secretariat for NBC within DPN.

III Project Implementation Review

8. The Recipient shall:

(a) maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with the indicators set forth in Schedule 6 to this Agreement, the carrying out of the Project and the achievement of the objectives thereof;

(b) prepare, under terms of reference satisfactory to the Association, and furnish to the Association, on or about February 15 and August 15 in each FY a report integrating the results of the monitoring and evaluation activities performed pursuant to paragraph (a) of this Section, on the progress achieved in the carrying out of the Project during the period preceding the date of said report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives thereof during the period following such date; and

(c) review with the Association, by March 15 and September 15 in each FY or such later date as the Association shall request, the report referred to in paragraph (b) of this Section, and, 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 the said report and the Association’s views on the matter.
SCHEDULE 5

Performance Indicators

For purposes of this Agreement, the performance indicators to be used for Part B of Project implementation are as follows:

1. Participatory assessment of local community involvement in the management of biodiversity in the three pilot areas are rated satisfactory at the end of the Project.

2. Management effectiveness of endangered species (maritime turtles, manatees, 5 species of water and sea birds) are improved by 30% at Project midterm review and by 50% at Project Closing Date.

3. The Cap-Vert Peninsula Biosphere Reserve is established before Project Closing Date.

4. State of biodiversity report is prepared on an annual basis.