GEF TRUST FUND GRANT NUMBER. TF016134

Global Environment Facility
Grant Agreement
(Sustainable Natural Resources Management Project)
Between

REPUBLIC OF THE SUDAN

and

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

Dated: March 13, 2014
GEF TRUST FUND GRANT NUMBER TF016134

GLOBAL ENVIRONMENT FACILITY
GRANT AGREEMENT

AGREEMENT dated March 13th, 2014, entered into between:
REPUBLIC OF THE SUDAN ("Recipient"); and
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
(“World Bank”), acting as an implementing agency of the Global Environment
Facility (“GEF”).

The Recipient and the World Bank hereby agree as follows:

Article I
Standard Conditions; Definitions

1.01. The Standard Conditions for Grants Made by the World Bank Out of Various
Funds, dated February 15, 2012 (“Standard Conditions”), constitute an
integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this
Agreement have the meanings ascribed to them in the Standard Conditions or
in this Agreement.

Article II
The Project

2.01. The Recipient declares its commitment to the objectives of the project
described in Schedule 1 to this Agreement (“Project”). To this end, the
Recipient shall carry out the Project through the Ministry of Environment,
Forestry and Physical Development in accordance with the provisions of
Article II of the Standard Conditions.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement,
and except as the Recipient and the World Bank shall otherwise agree, the
Recipient shall ensure that the Project is carried out in accordance with the
provisions of Schedule 2 to this Agreement.

Article III
The Grant

3.01. The World Bank agrees to extend to the Recipient, on the terms and
conditions set forth or referred to in this Agreement, a grant in an amount
equal to seven million, seven hundred thirty one thousand four hundred
eighty one United States Dollars (USD 7,731,481) (“Grant”) to assist in
financing the Project.
3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.

3.03. The Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the donors to the trust fund. In accordance with Section 3.02 of the Standard Conditions, the World Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donors under the abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

Article IV
Effectiveness; Termination

4.01 This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the conditions specified below have been satisfied:

(a) The Recipient has adopted the Project Implementation Manual, in form and substance satisfactory to the World Bank.

(b) The Recipient has established the Project Coordination Unit comprising (i) a Project coordinator; (ii) a financial management specialist; (iii) a procurement specialist; and (iv) a monitoring and evaluation specialist, all with qualifications, experience and terms of reference satisfactory to the World Bank.

(c) The Recipient has set up the Project Steering Committee with composition, mandate and resources satisfactory to the World Bank.

4.02 Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 4.01 of this Agreement ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

4.03 This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (90) days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

Article V
Recipient’s Representative; Addresses
5.01. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is the Minister responsible for finance.

5.02. The Recipient's Address referred to in Section 7.01 of the Standard Conditions is:

Minister of Finance and National Economy
Government of the Sudan
Khartoum
Republic of the Sudan

5.03. The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

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

Cable: INTBAFRAD
Telex: 248423 (MCI) or 64145 (MCI)
Facsimile: 1-202-477-6391
AGREED at Khartoum, Sudan, Ministry of Finance and National Economy as of the day and year first above written.

REPUBLIC OF THE SUDAN

By

Authorized Representative

Name: Bader Eldin Mahmoud Abbas
Title: Minister of Finance and National Economy

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

By

Authorized Representative

Name: Xavier Furtado
Title: Country Representative
SCHEDULE 1

Project Description

The objective of the Project is to increase the adoption of sustainable land and water management practices in targeted landscapes.

The Project consists of the following parts:

Part 1: Institutional and Policy Framework

1.1. Carry out a capacity development program designed to strengthen the capacity of select MDAs to formulate, implement and monitor programs and projects geared towards sustainable management of natural resources and biodiversity conservation including: (a) developing inter-agency collaboration mechanisms at the central and state level; (b) assisting communities in preparing and implementing investments under integrated land management plans; and (c) supporting village development committees to manage, monitor, and maintain infrastructures.

1.2. Carry out a program of activities designed to develop a policy and legislative framework that addresses sustainable forest and land use management in an integrated and multi-sector way, such a program to include such activities as: (a) preparing a strategy with practical recommendations, measures and policies for effective cooperation at federal-state-local and community levels for the protection and conservation of Sudan’s natural resource base; and (b) strengthening policy framework and legislation for sustainable land and water management and biodiversity conservation.

1.3. Carry out a program of activities designed to address information and knowledge barriers to broader adoption of sustainable land and water management and biodiversity conservation practices, including designing and implementing a communication plan to disseminate information concerning processes, results and lessons learned through the Project.

Part 2: Community Based Sustainable Management of Rangelands, Forests and Biodiversity

2.1. Support the preparation of integrated land management plans for the Wad Bugul reserve in the Gezira State, Telkuk forest reserve in Kassala State, and the rangelands in in White Nile State.

2.2. Carry out a program of activities to implement the plans prepared under Part 2.1 above in order to rehabilitate and restore the forest ecosystem of Telkuk forest reserve and Wad Bugul reserve and support sustainable rangeland management such a program to include such activities as gazetting of forest reserves; restoration of native vegetation (by reforestation, enrichment planting or natural regeneration); establishment of shelter belts for sand dune fixation, demarcation of animal
migration routes, rotation of grazing land, establishment of nurseries for rangeland rehabilitation and clearing and opening of fire lines to protect rangelands.

Part 3: Project Management

3.1. Design and implement a monitoring and evaluation system designed to track the Project results, including those registered in the GEF tracking tools for biodiversity, land degradation and sustainable forest management.

3.2. Carry out Project management, including coordination, financial management, procurement, audits, and monitoring and evaluation, and provision of goods and Operating Costs required for the purpose.
SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements

1. Project Steering Committee. The Recipient shall establish and maintain, throughout Project implementation, a steering committee with composition, functions and resources satisfactory to the World Bank to be responsible for *inter alia* overall Project progress, oversight and interagency coordination.

2. Project Coordination Unit. The Recipient shall establish and maintain, throughout Project implementation, a project coordination unit with staffing, terms of reference and resources satisfactory to the World Bank to be responsible for *inter alia* overall coordination, management and monitoring of the Project.

3. Technical Committee. The Recipient shall establish and maintain, throughout Project implementation, a project technical committee unit with composition, terms of reference and resources satisfactory to the World Bank to be responsible for *inter alia* providing advice to Project Coordination Unit on technical aspects of the Project.

4. State Project Implementation Unit. The Recipient shall establish and maintain, throughout Project implementation, a project implementation unit - in White Nile, Gezira and Kassala States - each with staffing, terms of reference and resources satisfactory to the World Bank to be responsible for *inter alia* state level coordination, management and monitoring of the Project.

B. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 ("Anti-Corruption Guidelines").

C. Project Implementation Manual

1. The Recipient shall prepare a Project implementation manual in form and substance satisfactory to the World Bank, containing detailed arrangements and procedures for implementation of the Project including inter alia: (a) institutional coordination and day-to-day implementation of the Project; (b) disbursement, procurement and financial management including financial audit of the Project; (c) environmental and social safeguards management; (d) monitoring and evaluation, reporting and communication, including
performance indicators; and (e) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project.

2. The Recipient shall: (a) furnish to and exchange views with the World Bank on such manual promptly upon its preparation; and (b) thereafter adopt such manual as shall have been approved by the World Bank (Project Implementation Manual).

3. The Recipient shall ensure that the Project is carried out in accordance with the arrangements and procedures set out in the Project Implementation Manual (provided, however, that in case of any conflict between the arrangements and procedures set out in the Project Implementation Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail), and shall not amend, abrogate or waive, or permit to be amended, abrogated or waived, the Project Implementation Manual or any of its provisions without prior approval in writing by the World Bank.

D. Safeguard

1. The Recipient shall carry out the Project in accordance with ESMF, Process Framework and any other Safeguard Document prepared or to be prepared by the Recipient in accordance with sub-paragraph 2 below.

2. Whenever an ESMP or Action Plan (each Safeguard Document) shall be required for any proposed Project activity in accordance with the provisions of the ESMF and/or the Process Framework, the Recipient shall:

(a) prior to the commencement of such activity, proceed to have such Safeguard Document: (i) prepared in accordance with the provisions of the ESMF and the Action Plan, as the case may be; (ii) furnished to the World Bank for review and approval; and (iii) thereafter adopted and disclosed as approved by the World Bank, in a manner acceptable to the World Bank;

(b) thereafter take such measures as shall be necessary or appropriate to ensure compliance with the requirements of such Safeguard Document; and

(c) in the case of any resettlement activity under the Project involving Affected Persons, ensure that no displacement (including restriction of access to legally designated parks and protected areas) shall occur before necessary resettlement measures consistent with the relevant Process Framework have been executed, including, in the case of displacement, full payment to Affected Persons of compensation and of other assistance required for relocation, prior to displacement.

3. The Recipient shall not amend, abrogate or waive, or permit to be amended, abrogated or waived, the ESMF, the Process Framework and any Safeguard
Document adopted or to be adopted in accordance with the provisions of paragraph 2 of this Part D, unless the World Bank has provided its prior approval thereof in writing, and the Recipient has complied with the same consultation and disclosure requirements as applicable to the original adoption of the said instruments.

4. Without limitation on its other reporting obligations under this Agreement, the Recipient shall collect, compile and submit to the World Bank each calendar semester (or at such other frequency as may be agreed with the World Bank) consolidated reports on the status of compliance with the ESMF, the Process Framework and the Safeguard Documents, as applicable, giving details of: (a) measures taken in furtherance of the said instruments; (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the said measures; and (c) remedial measures taken or required to be taken to address such conditions.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators acceptable to the World Bank. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the World Bank not later than sixty (60) days after the end of the period covered by such report.

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

B. Financial Management; Financial Reports; Audits

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

2. The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty-five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

3. The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six months after the end of such period.
4. The Recipient shall not later than six (6) months after the Effective Date cause to be installed a computerized financial management system for the Project all in a manner acceptable to the World Bank.

Section III. Procurement

A. General

1. **Procurement and Consultant Guidelines.** All goods, works, non-consulting-services and consultants’ services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

   (a) Section I of the “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (“Procurement Guidelines”) in the case of goods, works and non-consulting services, and Sections I and IV of the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (“Consultant Guidelines”) in the case of consultants’ services; and

   (b) the provisions of this Section III, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines (“Procurement Plan”).

2. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods, Works and Non-consulting Services

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) Limited International Bidding; (b) National Competitive Bidding, subject to the additional provisions spelled out in Schedule 3 to this Agreement; (c)
Shopping; (d) procurement under Framework Agreements in accordance with procedures which have been found acceptable to the World Bank; (e) Direct Contracting; (f) Force Account; and (g) Well-established Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the World Bank.

C. Particular Methods of Procurement of Consultants’ Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

2. **Other Methods of Procurement of Consultants’ Services.** The following methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants’ services for those assignments which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants’ Qualifications; (e) Single-source Selection of consulting firms; (f) Well-established Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the World Bank; (g) Selection of a United Nations Agency; (h) Selection of consultants under Indefinite Delivery Contract or Price Agreement; (i) Selection of Individual Consultants; and (j) Single-source procedures for the Selection of Individual Consultants.

D. Review by the World Bank of Procurement Decisions

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

Section IV. **Withdrawal of Grant Proceeds**

A. **General**

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant ("Category"), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, Operating Costs, Training, works, non-consulting services, and consultants’ services, including audits</td>
<td>7,731,481</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>7,731,481</td>
<td></td>
</tr>
</tbody>
</table>

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made for payments made prior to the date of this Agreement.

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is June 30, 2019.
SCHEDULE 3

Particular Provisions Applicable to National Competitive Bidding

National Competitive Bidding (NCB) shall follow the Recipient’s procurement procedure acceptable to the World Bank, provided that key principles such as economy, transparency, efficiency and fair competition are adhered to, and subject to the following additional procedures:

Participation in bidding

a) Government-owned enterprises in the Sudan shall be eligible to participate in bidding only if they can establish that they are legally and financially autonomous, operate under commercial law, and are not a dependent agency of the Sudan.

b) Foreign bidders shall be eligible to participate under the same conditions as local bidders. In particular, no preference over foreign bidders shall be granted to local bidders in bid evaluation.

Advertising: time for bid preparation

c) Invitations to bid shall be advertised on at least two (2) consecutive days in a local newspaper of wide circulation, and prospective bidders shall be allowed a minimum of thirty (30) days between the date on which the notification appears for the first time and the deadline for bid submission. With the specific approval of the World Bank, this minimum period of thirty (30) days may be reduced to a minimum period of ten (10) days in the case of emergency operations.

Standard bidding documents

d) Until standard bidding documents acceptable to the World Bank have been introduced by the Government of the Sudan, simplified version of World Bank’s standard bidding documents may be used with the World Bank’s prior approval. In accordance with paragraph 1.16 (e) of the Procurement Guidelines, each bidding document and contract financed out of the proceeds of the Grant shall provide that: (i) The bidders, suppliers and contractors, and their sub-contractors, agents, personnel, consultants, service providers, or suppliers shall permit the World Bank, at its request, to inspect their accounts and records relating to the bid submission and performance of the contract and to have said accounts and records audited by auditors appointed by the World Bank; and (ii) the deliberate and material violation by the consultant, bidder, supplier, contractor or subcontractor of such provision may amount to an obstructive practice as defined in paragraph 1.16(a)(v) of the Procurement Guidelines.
Qualification criteria and evaluation criteria

e) Qualification criteria shall be clearly specified in the bidding documents, and all criteria so specified, and only criteria so specified, shall be used to determine whether a bidder is qualified. Bids of bidders not meeting such criteria shall be rejected as non-qualified. The fact that a bidder meets or surpasses the specified qualification criteria shall not be taken into account in the evaluation of such bidder’s bid.

f) Evaluation criteria shall be clearly specified in the bidding documents, and all evaluation criteria other than price shall be quantified in monetary terms. All evaluation criteria so specified, and only criteria so specified, shall be used in bid evaluation. Merit points shall not be used in bid evaluation.

Bid submission

g) Bids shall be submitted in sealed envelopes and shall be accepted whether mailed or hand-carried.

Bid opening

h) Bids shall be opened in the presence of bidders who wish to attend, and immediately after the deadline for bid submission. Said deadline, and the place of bid opening, shall be announced in the invitation to bid. The name of each bidder, and the amount of his bid, shall be read aloud and recorded when opened in the minutes of bid opening. The minutes of bid opening shall be signed by the members of the bid opening committee immediately after bid opening.

i) Bids received after the deadline for bid submission shall be returned to the bidders unopened.

Bid evaluation and award of contracts

j) A bid containing material deviations from or reservations to the terms, conditions and specifications of the bidding documents shall be rejected as not substantially responsive. A bidder shall not be permitted to withdraw material deviations or reservations once bids have been opened.

k) The bid evaluation shall be carried out in strict adherence to the criteria specified in the bidding documents, and the contract shall be awarded to the qualified bidder offering the lowest evaluated and substantially responsive bid.

l) A bidder shall not be required, as a condition for award, to undertake obligations not specified in the bidding documents or otherwise to modify his bid as originally submitted.

m) There shall be no post-bidding negotiations with the lowest or any other bidder.
APPENDIX

Definitions

1. "Action Plan" means each action plan, acceptable to the World Bank, required pursuant to the Process Framework - as stated in Section I.D.2 of Schedule 2 to this Agreement - describing specific measures to assist the Affected Persons, along with the arrangements to implement such measures; and the term "Action Plans" means, collectively, all such plans.

2. "Affected Persons" means persons who, on account of the execution of the Project or any part thereof, have experienced or would experience direct economic and social impacts caused by: (A) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such persons must move to another location; or (B) the involuntary restriction of access to legally designated parks and protected areas resulting in adverse impacts on the livelihoods of the Project affected persons.

3. "Category" means a category set forth in the table in Section IV of Schedule 4 to this Agreement.


5. "Environmental and Social Management Framework" or "ESMF" means the framework that include the set of mitigation, enhancement, monitoring, and institutional measures to be taken during implementation of the Project to eliminate any adverse environmental and social impacts, offset them, reduce them to acceptable levels, or to enhance positive impacts as set out in the report Environmental and Social Management Framework - dated October 2013 and disclosed on infoshop on October 22, 2013 - adopted by the Recipient and referred to in Section I.D.1 of Schedule 2 to this Agreement.

6. "Environmental and Social Management Plan" or "ESMP" means, for a given Project activity, a site specific environmental and social management plan prepared by the Recipient in accordance with the ESMF pursuant to Section I.D.2 of Schedule 2 to this Agreement; and the term "ESMPs" means, collectively, all such plans.

7. "MDA" means a ministry, department or agency of the Recipient; and the term MDAs means, collectively, all such ministries, departments and agencies.
8. “Ministry of Environment, Forestry and Physical Development” means the Recipient’s ministry responsible for forestry and any successors thereto.

9. “Operating Costs” means the incremental expenditures incurred by the Recipient in the implementation of the Project, on account of office supplies, office rent, communication and insurance charges, maintenance of office equipment, vehicle operations and maintenance costs, utilities, travel and travel allowances, and salaries of locally contracted employees, but excluding salaries of officials of the Recipient’s civil service.


11. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated November 4, 2013 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of the said paragraphs.

12. “Project Implementation Manual” means the manual referred to in Section I.C.2 of Schedule 2 to this Agreement as the same may be amended from time to time with the prior written agreement of the World Bank.


14. “State” means the second tier of government in the Recipient’s administrative system.

15. “State Project Implementation Unit” or “SPIU” means each of the State implementation units established in White Nile, Gezira and Kassala States.

16. “Training” means the following expenditures incurred in providing training or workshops: travel by participants and presenters to the training or workshop site, per diem allowances of such persons during the training or workshop, honoraria for the presenters, rental of facilities, materials, supplies and translation and interpretation services.