Global Environment Facility
Grant Agreement

(The Pacific Islands Regional Oceanscape Program Project)

between

REPUBLIC OF THE MARSHALL ISLANDS

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

acting as an Implementing Agency of the Global Environment Facility

Dated June 26, 2015
GEF TF GRANT NUMBER TF018606

GLOBAL ENVIRONMENT FACILITY
GRANT AGREEMENT

AGREEMENT dated June 26, 2015, entered into between:
REPUBLIC OF THE MARSHALL ISLANDS ("Recipient") and INTERNATIONAL
BANK FOR RECONSTRUCTION AND DEVELOPMENT ("World Bank"), acting as an
implementing agency of the Global Environment Facility ("GEF") ("GEF Grant
Agreement").

WHEREAS (A) The Recipient, Federated States of Micronesia, Solomon Islands, Tuvalu
and other FFA Member Countries have, pursuant to the FFA Treaty, undertaken to co-
operate in the joint and efficient management of oceanic and coastal fisheries within the
Western and Central Pacific Ocean; and

(B) In order to assist in the carrying out of activities aimed at strengthening
the management of oceanic and coastal fisheries, and the critical habitats upon which they
depend:

(1) the Recipient has also requested the International Bank for Reconstruction
and Development ("World Bank"), acting as an implementing agency of the Global
Environment Facility ("GEF"), to provide assistance towards the financing of the project
described in Schedule 1 to the Financing Agreement ("Project") and the World Bank,
acting as an implementing agency of the GEF, has agreed to make available a grant to the
Recipient in the amount specified in Section 3.01 of this GEF Grant Agreement ("GEF
Grant") to assist in the financing of the Project;

(2) the Recipient, having satisfied itself as to the feasibility and priority of the
project described in Schedule 1 to the Financing Agreement ("Project"), has requested
International Development Association ("the Association") to extend a grant in the amount
of four million six hundred thousand Special Drawing Rights (SDR 4,600,000) as provided
in the Financing Agreement, to assist in financing the Project;

(3) Federated States of Micronesia, Solomon Islands and Tuvalu have each
requested the Association and the World Bank, acting as an implementing agency of the
GEF, to assist in the financing of activities related to the Project that are designed to further
the objectives of this Project and the FFA Treaty; and

(4) the Pacific Islands Forum Fisheries Agency ("FFA") has requested the
Association and the World Bank, as an implementing agency of the GEF, to assist in the
financing of activities related to the Project that are designed to further the objectives of
this Project and the FFA Treaty.
WHEREAS the World Bank acting as an implementing agency of the GEF has agreed, on the basis, *inter alia*, of the foregoing, to extend a credit and a grant to the Recipient as specified in Section 3.01 of this GEF Grant Agreement upon the terms and conditions set forth in this GEF Grant Agreement.

NOW THEREFORE, 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 GEF Grant Agreement.

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

**Article II**

**The Project**

2.01. The Recipient declares its commitment to the objectives of the project described in Schedule I to this GEF Grant Agreement ("Project") and the Pacific Islands Regional Oceanscape Program. To this end, the Recipient shall cause Project to be carried out by the Project Implementing Entity in accordance with the provisions of Article II of the Standard Conditions and the GEF Project Agreement.

2.02. Without limitation upon the provisions of Section 2.01 of this GEF Grant 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 GEF Grant 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 GEF Grant Agreement, a grant in an amount equal to one million eight hundred thirty thousand Dollars ($1,830,000) ("Grant") to assist in financing the Project.

3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section II of Schedule 2 to this GEF Grant 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 GEF Grant 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
Additional Remedies

4.01. The Additional Event of Suspension referred to in Section 4.02 (k) of the Standard Conditions consists of the following, namely that the Project Implementing Entity's Legislation has been amended, suspended, abrogated, repealed or waived in a manner that is not compatible with international law, specifically the United Nations Convention on the Law of the Sea, or in a manner that would affect materially and adversely the ability of the Recipient and the Project Implementing Entity to perform any of its obligations under this GEF Grant Agreement and/or the Project Agreement.

Article V
Effectiveness; Termination

5.01. This GEF Grant Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to it that the conditions specified below have been satisfied.

(a) The execution and delivery of this GEF Grant Agreement on behalf of the Recipient, and the Project Agreement on behalf of the Project Implementing Entity, have been duly authorized or ratified by all necessary governmental action.

(b) The Subsidiary Agreement referred to in Section I.B of Schedule 2 to this GEF Grant Agreement has been executed on behalf of the Recipient and the Project Implementing Entity, and is legally binding upon the Recipient and the Project Implementing Entity in accordance with its terms.

(c) The Financing Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of this GEF Grant Agreement) have been fulfilled.

5.02. Except as the Recipient and the World Bank shall otherwise agree, this GEF Grant Agreement shall not 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 5.01 ("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 GEF Grant 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.

5.03. This GEF Grant 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 GEF Grant 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 VI
Recipient’s Representative; Addresses

6.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its Minister of Finance.

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

Ministry of Finance
P.O.Box D,
Majuro
Marshall Islands 96960

Facsimile:
692-625-3607

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

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

Cable: INTRAFRAD
Telex: 248423 (MCI) or 64145 (MCI)
Facsimile: 1-202-477-6391
AGREED at Majuro, Marshall Islands, as of the day and year first above written.

REPUBLIC OF THE MARSHALL ISLANDS

By

Authorized Representative

Name: ADENG

Title: MINISTER OF FINANCE

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

By

Authorized Representative

Name: Franz R. Drees-Gross

Title: Country Director, EACNF
The objective of the Project is to strengthen the shared management of selected Pacific Island oceanic and coastal fisheries, and the critical habitats upon which they depend.

The Project constitutes the first phase of the Pacific Islands Regional Oceanscape Program, and consists of the parts described in Schedule 1 to the Financing Agreement, however the Grant will not finance Part 1(a) of the Project.
SCHEDULE 2
Project Execution

Section I. Implementation Arrangements

A. Institutional and other Implementation Arrangements; Project Monitoring, Reporting and Evaluation; and Procurement

Section I (Implementation Arrangements, except for Section I.B) Section II (Project Monitoring, Reporting and Evaluation) and Section III (Procurement) of Schedule 2 to the Financing Agreement are hereby incorporated by reference and shall apply, mutatis mutandis, to this GEF Grant Agreement, and the Recipient undertakes to comply with the provisions thereof to the same extent as if such provisions had been set out in full in this GEF Grant Agreement, provided that for the purposes of this GEF Grant Agreement: (1) the references to the “Financing” in said Sections shall be construed as references to the Grant provided for under this GEF Grant Agreement; (2) the references to the “Association” in said Sections shall be construed as references to the World Bank; (3) the reference to Section 4.08 of the General Conditions in Section II.A of Schedule 2 to the Financing Agreement shall be construed as reference to Section 2.06 of the Standard Conditions; and (4) the references to Section 4.09 and 4.09 (b) of the General Conditions in Section II.B of Schedule 2 to the Financing Agreement shall be construed as references to Section 2.07 and 2.07 (b) of the Standard Conditions.

B. Subsidiary Agreement

1. To facilitate the carrying out of the Project, the Recipient shall make the proceeds of the Grant available to the Project Implementing Entity on a grant basis under a subsidiary agreement (“Subsidiary Agreement”) between the Recipient and the Project Implementing Entity, under conditions approved by the World Bank.

2. The Recipient shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

Section II. 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 GEF Grant 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, works, non-consulting services, consultants' services, Training and Incremental Operating Costs under the Project (except under Part 1(a) of the Project)</td>
<td>1,830,000</td>
<td>100%</td>
</tr>
</tbody>
</table>

**TOTAL AMOUNT** 1,830,000

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 September 30, 2020.
APPENDIX

Definitions:

1. "Financing Agreement" means the agreement to be signed between the Recipient and the International Development Association for purposes of financing the Project.