Policy and Human Resources Development (PHRD) Trust Fund

Grant Agreement
(Second Project under Phase 1 of the South West Indian Ocean Fisheries Governance and Shared Growth Program – Madagascar)

between

REPUBLIC OF MADAGASCAR

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
acting as administrator of the PHRD Trust Fund

Dated _April 20_, 2017
POLICY AND HUMAN RESOURCES DEVELOPMENT
TRUST FUND GRANT AGREEMENT

AGREEMENT dated APril 20, 2017, entered into between the
REPUBLIC OF MADAGASCAR ("Recipient") and the INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT ("World Bank"), acting as administrator of
the Policy and Human Resources Development Trust Fund ("PHRD Trust Fund").

WHEREAS: (A) the International Development Association ("Association"), by
extending financial assistance in 2015 to the Republic of Mozambique, the Union of
Comoros, the United Republic of Tanzania and the Indian Ocean Commission ("IOC"),
has provided support to precedent activities of the first projects under the first phase of the
South West Indian Ocean Fisheries Governance and Shared Growth Program ("Program"
which aims at ensuring conditions for achieving rational exploitation of fish resources for
constant stock regeneration and high productivity;

(B) the Recipient, having satisfied itself as to the feasibility and priority of the
project ("Project", as described in Schedule 1 hereto) under the first phase of the Program,
has requested the World Bank to assist in the financing of the Project;

(C) by a financing agreement of even date herewith between the Recipient and
the Association ("Participating Country Financing Agreement", as further defined in the
Appendix to this Agreement), the Association will extend to the Recipient a credit in an
amount equivalent to forty-seven million nine hundred thousand Special Drawing Rights
(SDR 47,900,000) to assist the Recipient in financing part of the cost of the Project on the
terms and conditions set forth in the Participating Country Financing Agreement;

(D) by a financing agreement to be entered into between the Association and
the IOC ("IOC Financing Agreement", as further defined in the Appendix to this
Agreement), the Association will extend to the IOC a grant in an amount equivalent to six
million seven hundred thousand Special Drawing Rights (SDR 6,700,000) to assist the IOC
in financing part of the cost of activities related to the Project on the terms and conditions
set forth in the IOC Financing Agreement;

(E) the International Bank for Reconstruction and Development ("World
Bank"), acting as an Implementing Agency of the Global Environment Facility ("GEF"),
will make available financial assistance to the Recipient under the GEF in an amount not
exceeding six million four hundred twenty-two thousand eighteen United States dollars
($6,422,018) ("GEF Co-financing", as further defined in the Appendix to this Agreement)
to assist the Recipient in financing part of the cost of Parts 2.1(b), 2.2(b) and 2.2(c) of the
Project on the terms and conditions set forth in a grant agreement of even date herewith
between the Recipient and the World Bank, acting as an Implementing Agency of the GEF
("GEF Grant Agreement", as further defined in the Appendix to this Agreement); and
WHEREAS the World Bank has also agreed, on the basis, inter alia, of the foregoing, to extend the PHRD Trust Fund grant provided for in Article III of this Agreement to the Recipient upon the terms and conditions set forth in this Agreement;

NOW THEREFORE the Recipient and the World Bank hereby agree as follows:

**Article I**
**Standard Conditions; Definitions**


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 the Preamble or in Appendix to this Agreement.

**Article II**
**The Project**

2.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out Part 3.4(c) of the Project through the MRHP in accordance with the provisions of Article II of the Standard Conditions and its obligations under the Law of the Sea Convention.

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 Part 3.4(c) of 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 not exceeding two million seven hundred thirty thousand United States Dollars ($2,730,000) (“Grant”) to assist in financing Part 3.4(c) of 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 PHRD Trust Fund for which the World Bank receives periodic contributions from the donor to the PHRD 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 donor under the PHRD 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 following condition has been
satisfied, namely, that all conditions precedent to the effectiveness of the
Participating Country Financing Agreement have been fulfilled.

4.02. Except as the World Bank and the Recipient 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 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 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:

Ministry of Finance and Budget
B.P. 61
Antananarivo 101
Republic of Madagascar

Cable address: Facsimile:
MFB (261) 20 22 34530

5.03. The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:
International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Telex: 248423 (MCI) or 64145 (MCI)
Facsimile: (1) 202 477 6391

AGREED at Washington, District of Columbia, United States of America, as of the day and year first above written.

REPUBLIC OF MADAGASCAR

By: [Signature]

Authorized Representative

Name: H.E. GERVAIS RAKOTOARIMANANA
Title: MINISTER OF FINANCE AND BUDGET

INTERNATIONAL DEVELOPMENT ASSOCIATION
acting as administrator of the PHRD Trust Fund

By: [Signature]

Authorized Representative

Name: MARK R. LUNDELL
Title: COUNTRY DIRECTOR
SCHEDULE 1

Project Description

The objective of the Project is to improve the management of selected fisheries at regional, national and community levels and to increase access by targeted fishers to alternative livelihood activities.

The Project constitutes part of the first phase of the Program, and consists of the following parts:

Part 1: Enhanced Regional Collaboration

Carrying out by the IOC of a regional collaboration program designed to support: (a) the implementation of the IOTC’s resolutions in the South West Indian Ocean countries enhancing their compliance with their international fisheries obligations; (b) the coordination among the African and Indian Ocean Developing Island States for collaborating and sharing their own experiences to address some of their specific challenges; and (c) the Fédération des Pêcheurs Artisans de l’Océan Indien, as follows:

1. Indian Ocean Tuna Commission

Strengthening the regional coordination in the SWIO by targeting the management of tuna and tuna-like species in the IOTC, and encompassing the provision of consultants’ services, non-consulting services, training, workshops and equipment and the financing of Operating Costs required to implement a set of measures aimed to ensure the participation of SWIOFC countries in the IOTC forum and enhance their compliance with their international fisheries obligations under the IOTC for sustainable tuna fisheries management, and which include: (a) strengthening the capacity of the IOTC Secretariat with long-term technical/administrative and support staff; (b) carrying out of sessions, intersessional meetings and studies to inform the Working Parties and Working Groups within the IOTC and to strengthen beneficiary countries capacity for compliance; (c) reinforcement of compliance with IOTC’s resolutions in the SWIO beneficiary countries, including strengthening the compliance missions on conservation management measures, the delivery of workshops and training, the development of guidelines and a compendium, the transposition of IOTC’s resolutions into national legislation, the development of an information system, the creation of a logbook system, and the promotion of awareness on IOTC’s processes and conservation management measures; (d) strengthening of flag state performance by beneficiary countries through a better understanding and implementation of their obligations; (e) strengthening of the implementation by port states of measures to fight against illegal, unreported and unregulated fishing, through the required administrative and operational support underpinning, delivery of regional training for both national interagency and regional cooperation, the
development and improvement of an electronic application and the training of coastal countries in its use, promotion of awareness and provision of legal support; and (f) strengthening of the IOTC’s capacity for monitoring of tuna and tuna-like fisheries, including the production of a best-practice manual and related guidelines and technical assistance for implementation of newly adopted IOTC’s resolutions.

2. **African and Indian Ocean Developing Island States (AIODIS)**

Strengthening the collaboration and sharing of experience among the AIODIS with a view to address some of their specific challenges for improving the sustainable management of their maritime territory, innovating and developing their blue economy in the context of climate change, and collaboratively mobilizing financing for addressing such challenges, and encompassing the provision of consultants’ services, non-consulting services, training, workshops and the financing of Operating Costs required for: (a) the organization of high-level meetings to discuss specific challenges and issues of regional interest; (b) the creation and exchange of knowledge; (c) the mobilization of expertise to prepare proposals for improving sustainable management of maritime territories and developing the maritime economy; and (d) hosting the AIODIS’ Secretariat in the IOC, the meetings of the AIODIS’ Secretariat, and the publication and dissemination of its materials.

3. **Indian Ocean Federation of Artisanal Fishers (FPAOI)**

Reinforcement of the *Fédération des Pêcheurs Artisans de l'Océan Indien* with a view to facilitate and increase its coordination capacity, strengthen the participation of the artisanal fisher associations in the SWIO region in the regional and international fora as well as support the design of more inclusive policies and management, through the provision of consultants’ services, training, and apprenticeships and other similar learning opportunities, as required for: (a) the strengthening of capacity of the FPAOI’s Secretariat; (b) the holding out of statutory meetings and carrying out of regional consultations; (c) the participation of the FPAOI in regional and international key events, in particular regional fisheries bodies’ meetings; and (d) a fisher exchange program among participating national fishers’ organizations.

**Part 2: Strengthening Capacities for Priority Fisheries Management**

Carrying out by the Recipient of a program targeted at policies, strategies, institutions, legal frameworks and actions by the public sector which are necessary to improve priority fisheries management and performance and support regional marine environmental health and resilience to climate change, including the provision of works, goods and equipment, consultants’ services, non-consulting services, training and workshops, and the financing of Operating Costs as follows:
1. **Fisheries Public Policy**

Reinforcement of the Recipient’s administration capacity to develop fisheries management instruments, through: (a) the improvement of the legal and institutional framework, encompassing the updating of strategies, the preparation of the second phase of the Program, and the strengthening of the legal basis and governance system for resources access and for sustainability of state functions with regard to income and expenditures; (b) the development of the statistical and information systems, including on economic sector performance, by means of data collection, quality control, entry, processing, analysis and dissemination; (c) the promotion of applied research on the priority fisheries, including direct or indirect stock management; (d) the development of information, communication and awareness campaigns; (e) the strengthening of the central administration capacity through the rehabilitation and equipping of buildings, operational support, and the carrying out of institutional reviews; (f) the enhancement of coordination among the relevant Recipient’s ministries in charge of fisheries, environment and the seas with a view to promote seascape level coordination of biodiversity and priority management in the Target Areas; and (g) the strengthening the sanitary competent authority for/in ensuring proper control and certification of seafood products.

2. **Sustainable Management of Fisheries and Conservation of Resources**

Strengthening of the management of fisheries at both the national and local levels and enforcement of the compliance with the fisheries management plans and regulations by the *Centre de Surveillance des Pêches*, encompassing: (a) the development and/or update and implementation of the Recipient’s fisheries management plans, including the organizational restructuring of the USTA and the implementation of measures under the national tuna management strategy; (b) the construction and/or rehabilitation and equipping of surveillance centers and provision of cars and small coastal patrol vessels and carrying out of feasibility studies as required thereof; and (c) surveillance activities, through the implementation of strategic plans, maintenance of patrol vessels, and capacity building activities as required for the carrying out of terrestrial, aerial and maritime patrols, and the establishment/reinforcement of an observer program, a vessel monitoring system and an electronic reporting system.

3. **Strengthening Deconcentration**

Organizing the MRHP with the tools necessary to engage local communities in the management agenda using adequate tools to take decisions on the ground, encompassing: (a) the carrying out of study for designing and developing the co-management system and platforms for specific fisheries and value chains, and delivery of workshops for concertation and co-management units and platforms’ meetings; and (b) the strengthening of the deconcentrated administration capacity, through the rehabilitation and equipping of buildings, acquisition and the carrying
out of institutional reviews and studies.

Part 3: Strengthening Capacities for Engaging in Alternative Fishing Practices and Livelihoods Activities

Carrying out by the Recipient of a program aimed to put in place the measures identified under the fisheries management plans in force in the Target Areas or developed under Part 2.2(a) hereof so as to ensure acceptance and adhesion to said fisheries management plans by targeted communities, and consisting of the following:

1. Short-term Compensatory Measures

Carrying out of a program to support stakeholders affected during the initial implementation of the fisheries management plans to compensate for the loss of access to resources and revenues, including the financing of Financial Transfers and associated training and Operating Costs, the undertaking of studies, the delivery of workshops and dissemination activities to inform the targeted populations, and the implementation of annual survey of beneficiaries.

2. Promoting Good Practices and Alternative Activities

Development of good practices in fisheries for sustainability and value added increase and for security-at-sea for fishers and promotion of alternative activities, including for women’s groups to develop these business opportunities and the entire value chain, and encompassing the provisions of works, goods and equipment, training and workshops and the financing of Operating Costs required for: (a) the professionalization of fishers and value chains’ operators through the design of improved fishing units, conservation system, processing equipment and practices, pilot testing, and dissemination of good practices in value chain’s activities and knowledge exchanges programs, market study, value chain analysis and commercial fairs for products promotion; (b) the promotion of safety-at-sea through reinforced awareness, tailored training, and design of improved vessels and building practices, small vessels upgrade, security equipment, practices testing, dissemination, use monitoring, the updating of national legislation, the carrying out of surveys and knowledge exchange programs; (c) the elaboration of action plans for measures to assist persons affected by restriction of access to fish resources and revenues, diagnostic for identifying opportunities for economic diversification and engagement in alternative livelihoods consisting of vocational training or job placement in seafood handling, processing and marketing, aquaculture, non-seafood sector-related activities, provision of small equipment and community work; and (d) the facilitation of access to finance through the carrying out of studies, training and workshops, dissemination and awareness activities, financial education and assistance in the process of submission of credit applications to micro-finance institutions and banks, knowledge exchange and support to financial self-help groups.
3. **Strengthening Local Participatory Strategic Planning**

Carrying out of a program to underpin the local participatory planning, including:
(a) the employment of executing agencies (firms or non-governmental organizations) in priority areas to work close to the communities involved in the implementation of management plans with the aim of assisting in driving the participatory planning process and implementing of the Project locally;
(b) capacity building activities for the benefit of the local elected-members and personnel of the local government (communes and *Fonkontany*); and (c) the development or updating, as the case may be, of municipal and local development plans for suitable investment planning.

4. **Infrastructure in Support of Community and Sectors Developments**

Carrying out of a comprehensive infrastructure program encompassing the provision of works, goods and equipment, consultants’ services, non-consulting services, training, and workshops and the financing of Operating Costs as necessary for: (a) the construction of infrastructure for the benefit of the fisheries sector operators, and implementation of feasibility studies, consultation, work monitoring and training; (b) the construction of community/communal infrastructures, and the carrying out of feasibility studies, consultation, work monitoring and training; and (c) the access to off-grid energy, through the installation, operation and maintenance of off-grid electrification equipment and off-grid energy services to rural fishing communities to support increased productivity and the pre-electrification strategy, the carrying out of pilots for testing equipment for better management, enforcement and monitoring, and safety-at-sea in the fisheries sector, and the provision of technical assistance to encourage knowledge transfer, develop local skills, and create partnerships among stakeholders to help develop and establish the use of innovative, sustainable, and renewable forms of energy for priority fishery communities.

**Part 4: Project Management and Coordination**

1. **Project Management at the Regional Level**

Strengthening of the IOC in its delivery of the management and coordination functions of the Project at the regional level, in particular its Finance and Procurement Unit in the administration of Project funds and related fiduciary aspects, and including the provision of consultants’ services, goods and equipment and training and the financing of Operating Costs required for monitoring and evaluation, the carrying out of audits, the preparation of mid-term and final evaluation reports, and the core operational functions.
2. **Project Management at the National Level**

Strengthening of the National Implementation Unit, the Local Implementation Units and the National Steering Committee in their delivery of the management and coordination functions of the Project at the national level, and including the provision of consultants’ services, goods and equipment, and training and the financing of Operating Costs required for monitoring and evaluation, the carrying out of audits, the preparation of mid-term and final evaluation reports, and the core operational functions.
Section I. **Institutional and Other Arrangements**

A. **Institutional Arrangements**

1. **National Level**

   (a) At the national level, the MRHP shall lead the implementation of Part 3.4(c) of the Project through its Directorates. The National Implementation Unit (NIU) shall have main responsibility for the implementation of Part 3.4(c) of the Project. Furthermore, the MRHP shall closely collaborate and involve the Fisheries Monitoring Center (Centre de Surveillance des Pêches), the Economic Observatory (Observatoire Economique de la Pêche et de l’Aquaculture), the Fisheries Sanitary Authority (Autorité Sanitaire Halieutique) and the Malagasy Agency for Fisheries and Aquaculture (Agence Malgache de la Pêche et de l’Aquaculture), as may be required to ensure optimal alignment of Project resources.

   (b) The MRHP shall, in addition, formalize partnerships and/or collaborating arrangements satisfactory to the World Bank to facilitate the implementation of Part 3.4(c) of the Project activities at the local level and in areas outside its core mandate, including with the Renewable Energy Development Agency (Agence de Développement des Énergies Renouvelables).

   (c) The Steering Committee and the National Implementation Unit shall be, each in their specific area, responsible for the implementation of Part 3.4(c) of the Project. To this end, the Recipient shall maintain, throughout Project implementation, the Steering Committee and the National Implementation Unit under terms of reference and supported by qualified and experience staff in adequate numbers, all satisfactory to the World Bank.

   (d) The Steering Committee shall be chaired by the MRHP and shall be composed at all times of the MRHP, including of deconcentrated services, the Recipient’s ministry in charge of the sea, the Recipient’s Ministry of Finance and Budget, other ministries of the Recipient concerned and representatives from the private sector, with the National Project Coordinator serving as its secretary. The World Bank and representatives of co-financing entities may be invited to participate as observers. The Steering Committee shall be specifically responsible for: (i) providing
overall policy guidance and decision-making, satisfactory to the World Bank, on all issues relating to Part 3.4(c) of the Project; (ii) facilitating coordination among the relevant Project agencies; and (iii) reviewing and approving the Annual Work Plan and Budget, and shall meet at least twice a year.

(e) The National Implementation Unit shall comprise, *inter alia*, the Project Coordinator assisted by two (2) deputies responsible for Part 3.4(c) of the Project, an administrative and financial specialist assisted by two (2) accountants, a procurement specialist and two (2) deputies, an environmental and social specialist, a monitoring and evaluation specialist, and a communications and information technology specialist. The NIU shall be maintained within the MRHP and shall be responsible for the coordination of the implementation of the Project, its administration, the procurement, financial management and control (including audits), monitoring and evaluation, supervising compliance with safeguard policies, technical support to activity implementation at the national level and the preparation of Annual Work Plan and Budget in accordance with the provisions of Section I.H of this Schedule. The financial monitoring of the Project shall be the responsibility of the MRHP which, assisted by the NIU, shall submit quarterly reports to the Recipient’s Ministry of Finance and Budget, the Steering Committee and the World Bank.

2. **Local Level**

(a) At the local level, eight (8) Local Implementation Units, reporting directly to the NIU, shall be responsible for the coordination and the implementation of the local activities in the three (3) Target Areas where fisheries management plans are currently in force or being developed. The LIUs shall be embedded within the Aquatic Resources and Fisheries Districts (*Circonscriptions Regionles des Ressources Halieutiques et de la Pêche*), under the responsibility of the Regional Director (*Directeur Régional des Ressources Halieutiques et de la Pêche*) assisted by an administrative and financial assistant. The Head of District (*Chef de Circonscription*) shall act as the local project coordinator and shall be assisted by two technical leads and a deputy coordinator, as needed. Administrative and financial Assistants shall be recruited to support the Regional Directors on fiduciary aspects in each of the Target Areas.

(b) In addition, the Recipient shall, through the MRHP, select and employ executing agencies in accordance with the provisions of Section III (Procurement) of this Schedule in each of the selected Target Areas where a management plan is currently in force or is being developed to assist it in implementing the co-management activities and coordinating the co-
management adherence activities.

B. **Anti-Corruption**

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

C. **Donor Visibility and Visit**

1. The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the donors support for Part 3.4(c) of the Project.

2. For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank’s request, enable the representatives of the donor to visit any part of the Recipient’s territory for purposes related to Part 3.4(c) of the Project.

D. **Selection Criteria for Implementation of Part 3 of the Project: Geographical Prioritization**

To optimize Project resources and focus its interventions, activities under Part 3 of the Project shall be implemented gradually. At the local level, the first three-year phase of Part 3 of the Project shall focus on the three priority Target Areas of Ambaro-Ampasindava Bay, Antongil Bay and Melaky region. Thereafter, the mid-term review to be carried out pursuant to the provisions of Section II.B of this Schedule 2 shall evaluate the successes and challenges of the local implementation of the management plans and activities in general and, on the basis thereof and for the remaining three years, either propose an extension of the approach to new sites, consolidate the support to existing sites, or refocus this support to a subset of sites in the Target Areas of Androy and Atsimo-Atsinanana regions. In the first phase of the Project, activities under Part 3 of the Project in these two Target Areas shall focus on fisheries management plan preparation and institutional strengthening.

E. **Safeguards**

I. **Environmental, Social and Process Frameworks**

1. The Recipient shall ensure that no works are commenced under Part 3.4(c) of the Project, until and unless: (a) the Recipient shall have verified, through its own staff, outside experts, or existing environmental/social institutions, that the works meet the environmental and/or social management requirements, if applicable, of appropriate national and local authorities and that they comply with the review procedures set forth in the Environmental and Social Management Framework (ESMF) and/or Process Framework (PF), as the case may be, and the provisions of the National Project Operational Manual; and (b) if required, the Recipient
shall have prepared and adopted the Social Impact Assessment (ESIA), the Environmental and Social Management Plan (ESMP) and/or Plan of Action (PA), as the case may be, and the same documents have been consulted upon and disclosed as approved by the World Bank.

2. The Recipient shall ensure that Part 3.4(c) of the Project is implemented in accordance with the provisions of the ESMF and/or PF, as the case may, and each of the ESMP, ESIA, and/or the Plan of Action, as the case may be, in a manner satisfactory to the World Bank, and that none of the provisions of the aforementioned documents is amended or waived without the prior written agreement of the World Bank.

3. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall collect, compile and furnish to the Association on a quarterly basis reports on the status of compliance with the ESMF, PF and any ESIA, any ESMP, and/or any PA, as the case may be, giving details of:

(a) measures taken in furtherance of the ESMF and PA and any of the ESIA, ESMP and/or PA, as the case may be, that has been prepared;

(b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the ESIA, ESMP and/or PA, as the case may be; and

(c) remedial measures taken or required to be taken to address such conditions.

4. The Recipient shall promptly take all remedial measures referred to in paragraph 3 of this Section E as shall have been agreed by the World Bank.

II. Restrictions on Fishing Grounds under the Project

The Recipient shall take all action necessary on its behalf to carry out the PA with due diligence and efficiency and at all times provide the funds necessary therefor and to ensure that, during implementation of Part 3.4(c) of the Project, no restriction to access to fishing grounds under the Project is enforced until and unless the Association shall have approved the site-specific PA.

F. Training

For the purposes of the training to be provided under Part 3.4(c) of the Project and to be delivered through study tours, workshops and conferences, the Recipient shall:
(a) furnish to the World Bank for its approval, not later than November 30 of each year, a training program including an explanation of how such training is consistent and conducive to the objective of the Project and whether it offers the best price/quality ratio, as well as the schedule for its implementation;

(b) select the trainees in accordance with a transparent process and criteria satisfactory to the World Bank; and

(c) furnish to the World Bank a report of such scope and detail as the World Bank shall reasonably request, on the results of each training and the benefits to be derived therefrom.

G. National Project Operational Manual

The Recipient shall: (a) take all action required to carry out Part 3.4(c) of the Project in accordance with the provisions and requirements set forth or referred to in the National Project Operational Manual; (b) submit recommendations to the World Bank for its consideration for changes and updates of the National Project Operational Manual as they may become necessary or advisable during Project implementation in order to achieve the objective of Part 3.4(c) of the Project; and (c) not assign, amend, abrogate or waive the National Project Operational Manual or any of its provisions without the World Bank’s prior agreement. Notwithstanding the foregoing, if any of the provisions of the National Project Operational Manual is inconsistent with the provisions of this Agreement, the provisions of this Agreement shall prevail and govern.

H. Annual Work Plans and Budgets

1. The Recipient shall prepare, under terms of reference satisfactory to the World Bank, and furnish to the World Bank not later than November 30 in each calendar year, for the World Bank’s consideration, a proposed work plan of activities to be included under Part 3.4(c) of the Project for the following calendar year, such plan to include an implementation schedule and budget and financing plan therefor. If any activities proposed for inclusion in the Project would, pursuant to the Environmental and Social Management Framework or the Process Framework require the preparation, respectively, of an Environmental and Social Impact Assessment, an Environmental and Social Management Plan or a Plan of Action, as the case may be, the Recipient shall prepare and furnish, together with such proposed work plan, a draft of each such ESIA, ESMP, or PA, as the case may be.

2. The Recipient shall afford the World Bank a reasonable opportunity to review and exchange views with the Recipient on such proposed plan and any such ESIA, ESMP or PA, as the case may be, and thereafter, shall implement with due
diligence and efficiency such work plan and such ESIA, ESMP or PA, as the case
may be, as shall have been approved by the World Bank.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. The Recipient shall monitor and evaluate the progress of Part 3.4(c) 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 the National Monitoring and
Evaluation Indicators. Each Project Report shall cover the period of one calendar
quarter, and shall be furnished to the World Bank not later than forty-five (45)
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 four (4) months after the
Closing Date.

B. Mid-Term Review

The Recipient shall:

(a) maintain policies and procedures adequate to enable it to monitor and
evaluate on an ongoing basis, in accordance with the National Monitoring
and Evaluation Indicators, the carrying out of Part 3.4(c) of the Project and
the achievement of the objective thereof;

(b) prepare, under terms of reference satisfactory to the World Bank, and
furnish to the World Bank, on or about July 31, 2020, a report integrating
the results of the monitoring and evaluation activities and setting out the
measures recommended to ensure the efficient carrying out of Part 3.4(c)
of the Project and the achievement of the objective thereof during the
period following such date; and

(c) review with the World Bank, on or about September 30, 2020, or such later
date as the World Bank shall request, the report referred to in the preceding
paragraph (b), and, thereafter, take all measures required to ensure the
efficient completion of Part 3.4(c) of the Project and the achievement of
the objective thereof, based on the conclusions and recommendations of
the said report and the World Bank’s views on the matter.

C. 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 Part 3.4(c) of the Project are prepared and furnished to the World Bank as part of the Project Report not later than forty-five (45) days after the end of each quarter, covering the quarter, in form and substance satisfactory to the World Bank.

3. The Recipient shall have its Financial Statements for Part 3.4(c) of 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 (1) Fiscal Year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. Procurement and Consultant Guidelines. All goods, works, non-consulting services and consultants' services required for Part 3.4(c) of 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 Procurement Guidelines in the case of goods and non-consulting services, and Sections I and IV of the 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.

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) National Competitive Bidding, subject to the additional provisions set forth in the Annex to this Schedule 2; (b) Shopping; (c) Direct Contracting; and (d) Procurement from United Nations Agencies.
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) Selection from United Nations Agencies; (b) Least Cost Selection; (c) Selection based on Consultants’ Qualifications; (d) Single-source Selection of consulting firms; (e) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (f) 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 Investment Project Financing” dated February 2017, 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>Works, goods, non-consulting services, consultants’ services, training and workshops under Part 3.4(c) of the Project</td>
<td>2,730,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>2,730,000</td>
<td></td>
</tr>
</tbody>
</table>

3. For the purposes of this table:

(a) the term “training” means expenditures incurred by the Recipient to finance the cost under Part 3.4(c) of the Project of: (i) the training received or provided in-country or abroad, including its fees and the pedagogical materials; and (ii) the travel, accommodations, per diem and insurance for the training received or provided outside the Recipient’s territory as well as study tours inside the Recipient’s territory or abroad; and

(b) the term “workshop” means expenditures incurred by the Recipient to finance the cost under Part 3.4(c) of the Project of: (i) workshops organized in-country, including fees, meeting rooms, and equipment rental and materials; and (ii) the travel, accommodations, per diem, loss of revenue compensation and insurance for the participants to the workshops organized in-country.

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, 2020.
ANNEX TO SCHEDULE 2

Additional Provisions Applicable to National Competitive Bidding

For the purposes of following National Competitive Bidding ("NCB") procedures in the procurement of goods, works and non-consulting services to be financed under the Grant, the following modifications and additions shall apply: National Competitive Bidding procurement may be carried out in accordance with the “Open Competitive Bidding” method (Appel d’offres ouvert) set forth in the Recipient’s law no. 2004-009 of July 2004 on the Public Procurement Code, subject to the following additional provisions listed in (1) through (15) below to conform to the provisions of the Procurement Guidelines:

1. No bidder or potential bidder shall be declared ineligible for contracts financed by the World Bank for reasons other than: (a) its capability and resources to successfully perform the contract; (b) a conflict of interest situation, or (c) an accepted prohibition.

   (i) Firms of a country or goods manufactured in a country may be excluded if: (1) as a matter of law or official regulation, the Recipient’s country prohibits commercial relations with that country, provided that the World Bank is satisfied that such exclusion does not preclude effective competition for the supply of goods, works, and non-consulting services required; or (2) by an act of compliance with a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, the Recipient’s country prohibits any import of goods from, or payments to, a particular country, person, or entity. Where the Recipient’s country prohibits payments to a particular firm or for particular goods by such an act of compliance, that firm may be excluded.

   (ii) Government-owned enterprises or institutions of the Recipient shall be eligible to participate in the bidding process in their country, only if they can establish that they are legally and financially autonomous, operate under commercial law, and are not dependent agencies of the Recipient.

   (iii) A firm sanctioned by the World Bank in accordance with paragraph 1.16(d) of the Procurement Guidelines, or the Anti-Corruption Guidelines, shall be ineligible to be awarded or to benefit from a World Bank-financed contract, financially or in any other manner, during the period of time determined by the World Bank.
(iv) The requirement of producing a registration number (Numéro d'Immatriculation) for any bidder to participate in the bidding process shall not be interpreted as a prior requirement to any sort of local registration, license or authorization.

2. Standard bidding documents acceptable to the World Bank shall be used so as to ensure economy, efficiency, transparency and consistency with the provisions of Section I of the Procurement Guidelines.

3. Participation from joint ventures shall be allowed on condition that such joint venture partners will be jointly and severally liable for their obligations under the awarded contract. Therefore, the “Groupement Conjoint”, described under the Recipient’s law no. 2004-009 of July 2004 on the Public Procurement Code, shall not be allowed under National Competitive Bidding.

4. No domestic/regional preference, or any other kind of preferential treatment, shall be given for domestic/regional bidders, and/or for domestically/regionally manufactured goods, and/or for domestically/regionally originated related services.

5. The qualification criteria shall be clearly specified in the bidding documents, and all criteria so specified, and only such criteria so specified shall be used to determine whether a bidder is qualified. Qualification criteria shall be assessed on a “pass or fail” basis, and merit points shall not be used. Bidders’ qualifications shall be assessed by post-qualification.

6. In case a fee is charged for the bidding documents, it shall be reasonable and reflect only the cost of their typing, printing or publishing, and delivery to prospective bidders, and it shall not be so high as to discourage bidders’ participation in the bidding process. Bids may be submitted by electronic means only provided that the World Bank is satisfied with the adequacy of the system, including, inter-alia, that the system is secure, maintains the integrity, confidentiality, and authenticity of the bids submitted, and uses an electronic signature system or equivalent to keep bidders bound to their bids.

7. The bid validity period required by the bidding documents shall be sufficient to complete the evaluation of bids and obtain any approval that may be required (at least four (4) weeks). If justified by exceptional circumstances, an extension of the bid validity may be requested in writing from all bidders before the original bid validity expiration date, and it shall cover only the minimum period required to complete the evaluation and award of the contract. The extension of the bid validity requires the World Bank’s no objection for those contracts subject to prior review, if it is longer than four (4) weeks, and for all subsequent requests for extension, irrespective of the period.
8. Bid Evaluation:

(a) Evaluation of bids shall be made in strict adherence to the evaluation criteria declared in the bidding documents.

(b) Evaluation criteria other than price shall be quantified in monetary terms and the manner in which they will be applied for the purpose of determining the lowest evaluated bid shall be established in the bidding documents. A weighting/scoring system shall not be used.

(c) A contract shall be awarded to the qualified bidder offering the lowest-evaluated and substantially responsive bid. No negotiations shall be permitted.

(d) Bidders shall not be eliminated on the basis of minor, non-substantial deviations.

(e) In case of requests for clarifications, bidders shall not be asked or permitted to alter or complete their bids.

9. All bids shall not be rejected, the procurement process shall not be cancelled, and new bids shall not be solicited without the World Bank's prior concurrence.

10. Securities shall be in the format included in the bidding documents. No advance payment shall be made without a suitable advance payment security.

11. Information on contract award shall be published at least in a national newspaper of wide circulation within two (2) weeks of receiving the World Bank's no objection to the award recommendation for contracts subject to prior review, and within two (2) weeks from the award decision for contracts subject to post review. Publication shall include the following information: (a) the name of each bidder which submitted a bid; (b) bid prices as read out at bid opening; (c) evaluated prices of each bid that was evaluated; (d) the names of bidders whose bids were rejected and the reasons for their rejection; and (e) the name of the winning bidder, the final total contract price, and the duration and summary scope of the contract.

12. In the case of contracts subject to prior review, the World Bank's no objection shall be obtained before agreeing to: (a) a material extension of the stipulated time for performance of a contract; (b) any substantial modification of the scope of services or other significant changes to the terms and conditions of the contract; (c) any variation order or amendment (except in cases of extreme urgency) which, singly or combined with all variation orders or amendments previously issued, increases the original contract amount by more than 15 percent; or (d) the proposed termination of the contract. A copy of all contract amendments shall be furnished to the World Bank for its record.
13. In accordance with the Procurement Guidelines, each bidding document and contract financed from the proceeds of the Financing shall provide that bidders, suppliers, and contractors, and their subcontractors, agents, personnel, consultants, service providers or suppliers, shall permit the World Bank, at its request, to inspect their accounts, records and other documents relating to the submission of bids and contract performance, and to have them audited by auditors appointed by the World Bank. Acts intended to materially impede the exercise of the World Bank’s inspection and audit rights constitute an obstructive practice as defined in the Procurement Guidelines.

14. Each bidding document and contract financed from the proceeds of the Financing, and as deemed acceptable by the World Bank, shall include provisions stating the World Bank’s policy to sanction firms or individuals found to have engaged in fraud and corruption as defined in the Procurement Guidelines.

15. The World Bank may recognize, if requested by the Recipient, exclusion from participation as a result of debarment under the national system, provided that the debarment is for offenses involving fraud, corruption or similar misconduct, and further provided that the World Bank confirms that the particular debarment process afforded due process and the debarment decision is final.
APPENDIX

Section I. Definitions

1. "African and Indian Ocean Developing Island States" or "AIODIS" means the states of the Republic of Cabo Verde, the Republic of Guinea-Bissau, the Democratic Republic of São Tomé & Príncipe, the Union of Comoros, the Republic of Mauritius, the Recipient, the Republic of Maldives and the Republic of Seychelles.

2. "Annual Work Plans and Budgets" means the annual work plans and budgets for Part 3.4(iii) of the Project approved by the World Bank in accordance with the provisions of Section I.H of Schedule 2 to this Agreement and "Annual Work Plan and Budget" means any of the Annual Work Plans and Budgets.

3. "Aquatic Resources and Fisheries Regional District" means a Circonscription Regionale des Ressources Halieutiques et de la Pêche, the representation of the MRHP (as hereinafter defined) at the district level.

4. "Aquatic Resources and Fisheries Regional Directorate" means a Direction Régionale des Ressources Halieutiques et de la Pêche within the MRHP (as hereinafter defined).


6. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.

7. "Centre de Surveillance des Pêches" or "CSP" means the Recipient’s Fisheries Monitoring Center within the MRHP (as hereinafter defined).


9. "Co-financing" means, for purposes of paragraph 11 of the Appendix to the General Conditions, the GEF Co-financing.


12. "Displaced Person" means a person who as a result of the involuntary restriction of access to fishing grounds suffers adverse impacts on his or her livelihood.

13. "Environmental and Social Impact Assessment" or "ESIA" means a site-specific report, to be prepared by the Recipient in accordance with the parameters laid down in the ESMF (as hereinafter defined) and acceptable to the World Bank, identifying and assessing the potential environmental and social impacts of the activities to be undertaken under the Project, evaluating alternatives, and designing appropriate mitigation, management, and monitoring measures.

14. "Environmental and Social Management Framework" or "ESMF" means, each, the environmental and social safeguard framework adopted by the Recipient on November 7, 2016, and disclosed both in-country and in the World Bank's InfoShop on December 9, 2016, which: (a) sets forth the standards, methods and procedures specifying how activities under the Project whose location, number and scale are presently unknown shall systematically address environmental, social and waste issues in the screening and categorization, siting, design, implementation and monitoring phases during Project implementation; (b) systematizes the environmental and social impact assessments, be they limited impact assessments or full impact assessments, required for such activities before Project execution; and (c) stipulates the procedures to be used for the preparation and approval of a site-specific Environmental and Social Management Plan (as hereinafter defined) and/or Environmental and Social Impact Assessment for any site where there exists environmental and social waste management issues of a type and scale sufficient to trigger safeguard concerns.

15. "Environmental and Social Management Plan" or "ESMP" means, each, a site-specific environmental and social management plan to be prepared by the Recipient in accordance with the parameters laid down in the ESMF and acceptable to the World Bank, setting forth a set of mitigation, monitoring, and institutional measures to be taken during the implementation and operation of the activities under the Project to eliminate adverse environmental and social impacts, offset them, or reduce them to acceptable levels, and including the actions needed to implement these measures.

16. "Fédération des Pêcheurs Artisans de l'Océan Indien" or "FPAOI" means the Indian Ocean Federation of Artisanal Fishers, the organization created in 2015 with the five member countries of the IOC to help protect the cultural values and the lifestyle of artisanal fishers.

17. "Financial Transfer" means the expenditures incurred to finance the cost of the cash payment to be provided by the Recipient under Part 3.1 of the Project to a fisheries worker falling under one of the eligible categories stipulated in the Project Operational Manual (as hereinafter defined) and who has lost his/her employment.
18. "Fiscal Year" or "FY" means the twelve (12) month period corresponding to any of the Recipient's fiscal years, which period commences on January 1 and ends on December 31 in each calendar year.

19. "Fonkontany" means the Recipient's smallest administrative subdivision, below the commune.

20. "GEF Co-financing" means, for purposes of paragraph 11 of the Appendix to the General Conditions, an amount not exceeding six million four hundred twenty-two thousand eighteen United States dollars ($6,422,018) to be provided by the International Bank for Reconstruction and Development, acting as Implementing Agency of the Global Environment Facility, to assist in financing part of the cost of Parts 2.1(b), 2.2(b) and 2.2(c) of the Project.

21. "GEF Co-financing Agreement" means the agreement of even date herewith between the Recipient and the International Bank for Reconstruction and Development, acting as Implementing Agency of the GEF, providing for the GEF Co-financing.

22. "Indian Ocean Commission" or "IOC" means the Commission de l'Océan Indien, an intergovernmental organization composed of five African Indian Ocean nations: the Union of Comoros, the Republic of France (through the French department of La Réunion located in the Indian Ocean), the Recipient, the Republic of Mauritius and the Republic of Seychelles, and whose principal mission is to strengthen the ties of friendship between the countries and to be a platform of solidarity for the entire population of the African Indian Ocean region.

23. "Indian Ocean Tuna Commission" or "IOTC" means the intergovernmental organization responsible for the management of tuna and tuna-like species in the Indian Ocean, whose objective is to promote cooperation among the contracting parties (members) and cooperating non-contracting parties of the IOTC with a view to ensuring, through appropriate management, the conservation and optimum utilization of stocks covered by the organization's establishing Agreement and encouraging sustainable development of fisheries based on such stocks.

24. "IOC Financing Agreement" means the financing agreement for the Project to be entered into between the Association and the IOC, as such financing agreement may be amended from time to time. "IOC Financing Agreement" includes all appendices, schedules and agreements supplemental to the IOC Financing Agreement.

25. "Law of the Sea Convention" means the United Nations Convention on the Law of the Sea, the international agreement concluded in 1982 as a result of the third United Nations Conference on the Law of the Sea (UNCLOS III) and which defines the rights and responsibilities of nations with respect to their use of the
world's oceans, establishing guidelines for businesses, the environment, and the management of marine natural resources.

26. "Ministry of Aquatic Resources and Fisheries" or "MRHP" means the Recipient's Ministère des Ressources Halieutiques et de la Pêche.

27. "National Monitoring and Evaluation Indicators" means the agreed monitoring and evaluation indicators set forth in the National Project Operational Manual (as hereinafter defined) to be utilized by the Recipient to measure the progress in the implementation of Part 3.4(c) of the Project and the degree to which the objective thereof is being achieved.

28. "National Project Operational Manual" means the manual to be adopted by the Recipient setting forth the detailed implementation arrangements for Part 3.4(c) of the Project, including the administrative, financial and fiduciary procedures and rules therefore, as same may be amended from time to time with the agreement of the World Bank.

29. "Operating Costs" means incremental recurrent expenditures incurred on account of implementation of the Project, including local contractual support staff salaries, employment benefits, travel expenditures and other travel-related allowances; equipment rental and maintenance; vehicle, boat and airplane operation (including fuel), maintenance and repair; office rental and maintenance, materials and supplies; and utilities, media information campaigns and communications' expenses, but excluding the salaries of officials and public servants of the Recipient's civil service, and excluding the costs of any criminal investigation, prosecution, proceedings or other forms of criminal enforcement.

30. "Plan of Action" or "PA" mean a plan of action, acceptable to the World Bank, to be prepared by the Recipient, in accordance with the parameters laid down in the Process Framework (as hereinafter defined), during Project implementation and before enforcing any involuntary restriction of access to fishing grounds under the Project and resulting in adverse impacts on the livelihoods of the Displaced Persons, and describing the specific measures to be undertaken by the Recipient to assist the displaced persons and the arrangements for their implementation.

31. "Process Framework" or "PA" means, each, the framework adopted by the Recipient on November 7, 2016, and disclosed both in-country and in the World Bank's Infoshop on December 9, 2016, setting forth the participatory process to be followed for the determination of any restrictions of access to fishing grounds under the Project, the nature of the restrictions, the measures necessary to mitigate adverse impacts, and a description of the arrangements for implementing and monitoring the said process, and by which: (a) specific components of the Project will be prepared and implemented; (b) the criteria for eligibility of Displaced Persons will be determined; (c) the measures to assist the Displaced Persons in
their efforts to improve their livelihoods, or at least to restore them, in real terms, while maintaining the sustainability of fishing grounds, will be identified; and (d) potential conflicts involving Displaced Persons will be resolved.


33. "Procurement Plan" means the Recipient’s procurement plan for the Project, dated January 31, 2017, 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 said paragraphs.

34. "Surveillance Costs" means the expenditures incurred to finance the cost associated with the surveillance activities of the Recipient’s fisheries to be undertaken by, or on behalf of, the Recipient under Parts 2.2(b) and 2.2(c) of the Project, and which includes the cost, inter alia, of maritime vessel surveillance, of lease (with the option to purchase) of vessels for the purposes of carrying out surveillance, of aerial patrols over the Recipient’s waters.

35. "SWIO" means the South West Indian Ocean.

36. "South West Indian Ocean Fisheries Commission" or "SWIOFC" means the body established in 2004 by Resolution 1/127 of the FAO Council under Article VI 1 of the FAO Constitution, composed of the Union of Comoros, Republic of France, the Republic of Kenya, the Republic of Madagascar, the Republic of the Maldives, the Republic of Mauritius, the Republic of Mozambique, the Republic of Seychelles, the Somali Republic, the Republic of South Africa, United Republic of Tanzania and the Republic of Yemen), and whose objective is to promote the sustainable utilization of the living marine resources of the Southwest Indian Ocean region, by the proper management and development of the living marine resources, and to address common problems of fisheries management and development faced by its members without prejudice to the sovereign rights of coastal States.

37. "Target Area" means any of the Recipient’s areas where Part 3 of the Project may be carried out and that have been identified under the Recipient’s National Plan as strategic regions for fisheries and potential fisheries growth poles, and which includes the Ambaro-Ampasindava Bay in the DIANA region, the Antongil Bay in the Analanjirofo region, the Melaky region, the Androy region and the Atsimo-Atsinanana region; and “Target Areas” means collectively more than one Target Area.
38. “Tuna Statistic Unit” or “USTA” means the Recipient’s *Unité Statistique Thonière d’Antsiranana* in charge of collecting tuna-related statistics and information.