
April 30, 2013

Prof. Dr. dr. Idrus A. Paturusi, SpBO
Rector, Hasanuddin University
Kampus Unhas Tamalanrea
Jl. Perintis Kemerdekaan KM 10
Makassar 90245

Dear Dr. Paturusi:

Re: Republic of Indonesia: GEF Grant for the Preparation of the Coral Reef Rehabilitation and Management Project III: Support to the Coral Triangle Initiative (COREMAP III) GEF PPG Grant No. TF014399

In response to the request for financial assistance made on behalf of Hasanuddin University ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development ("World Bank"), acting as Implementing Agency of the Global Environment Facility ("GEF"), proposes to extend to the Recipient, for the benefit of the Republic of Indonesia ("Member Country"), a grant in an amount not to exceed two hundred thousand United States Dollars (US$200,000) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the activities described in the Annex ("Activities"). This Grant is funded out of the GEF for which the World Bank receives periodic contributions.

This Grant is funded out of the GEF trust fund for which the World Bank receives periodic contributions from donors. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), 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 above mentioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

In providing this Grant, the World Bank is relying on the representations made by the Recipient through a legal opinion dated March 19, 2013, attached as Annex II to this Agreement, in which the head of the Recipient's financial administration bureau confirmed, among other statements, that, should the need arise as a consequence of this Agreement, the Recipient can refund funds to the World Bank under the legal framework applicable to the Recipient.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Activities in accordance with the terms and conditions set forth or referred to in this Agreement. The award of the Grant does not constitute or imply any commitment on the part of the World Bank, either as Implementing Agency of the GEF or in its own capacity, to assist in the financing of any project which may result from the Activities financed by the Grant.
Please confirm the Recipient’s agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the countersignature.

Very truly yours,

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

Josephine M Bassinette
Acting Country Director, Indonesia

AGREED:

Y-HASANUDDIN UNIVERSITY

By: ____________________________
   Authorized Representative

Name: Idrus A. Paturusi
Title: Prof.
Date: 10th May 2013

Enclosures:


(2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006
ANNEX I

Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** 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. **Definitions.** 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 as follows; provided that for the purposes of this Agreement the term “Project”, whenever used in the Standard Conditions, shall mean the Activities referred to in Section 2.01 of this Annex.

(a) “COREMAP II” means the Coral Reef Rehabilitation and Management Project – Phase II financed by the International Bank for Reconstruction and Development ("IBRD"), the International Development Association ("IDA") and the GEF Trust Fund, under the Loan Agreement, the Development Credit Agreement and the GEF Grant Agreement, respectively, all dated June 30, 2004 and entered into between the Member Country and IBRD and IDA, respectively.

(b) “COREMAP-CTI” or Coral Reef Rehabilitation and Management Program Support to Coral Triangle Initiative is the phase III of the COREMAP to be financed by the International Bank for Reconstruction and Development ("IBRD"), and the GEF Trust Fund.

(c) “COREMAP Districts” means COREMAP CTI participating districts selected or to be selected in a transparent manner acceptable to the World Bank.

(d) “Incremental Operating Costs” means operating costs required for the Project including indirect cost such as overhead charge, consumable materials and supplies, communications, mass media and printing services, vehicle rental, operation and maintenance, charges for the opening and operation of bank accounts required for the Project, and travel, lodging and per diems.

(e) “Training” means the cost of training financed under the Activities attributable to seminars, study tours, and workshops, along with the cost of domestic and international travel and subsistence for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials, and other activities directly related to training preparation and implementation.

Article II
Grant Execution

2.01. Grant Objectives and Description. (a) The objective of the Grant is to provide assistance to the Member Country in carrying out preparation activities under the Coral Reef Rehabilitation and Management Project: Support to the Coral Triangle Initiative ("Project"), which Project has as its objective to provide communities with the capacity and incentives to co-manage their coral reefs sustainably.

(b) The activities ("Activities") for which the Grant is given consist of the following parts:

1. Conducting stakeholders workshops with key counterparts and with local governments and other beneficiaries to introduce the Project's design and to agree on Project activities and determine districts and communities to be included in the program.

2. Designing robust, statistical sampling methods for biophysical and socioeconomic monitoring to support monitoring and evaluation.

3. Conducting environmental and social safeguards due diligence including developing environment and social safeguards instruments.

4. Assessing feasibility of conservation-based economic activities (technically, financially and market opportunity) in selected villages/districts, focusing on marine-ecotourism aspect, including value chain process.

5. Analyzing and designing institutional implementation arrangements, including: (a) recommendations for enhancing local governance in support of COREMAP-CTI; (b) assessing the existing implementation modalities from COREMAP II at national, sub-national and local levels.

6. Assessing readiness of specific COREMAP Districts to serve as demonstration sites for marine spatial planning, and readiness of specific communities under the Project to implement zoning, licensing, enforcement and other aspects of integrated coastal management, which will be introduced in the Project.

2.02. Grant Execution Generally. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall, through its MaCSI (Marine, Coastal and Small Islands) Research Center-Institute for Research and Community Services- Hasanuddin University, carry out the Activities in accordance with: (a) the provisions of Article II of the Standard Conditions; (b) 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"); and (c) this Article II.
2.03. Institutional and Other Arrangements

Safeguards

The Recipient shall ensure that the terms of reference for any consultancies related to studies, technical assistance and/or capacity building activities under this Agreement (including in particular, but not limited to, the activities under Section 2.01(b)(3) of this Annex shall be satisfactory to the World Bank following its review thereof and, to that end, such terms of reference shall duly incorporate the requirements of the World Bank's Safeguard Policies then in force, as applied to the advice conveyed through such studies, technical assistance and/or capacity building activities.

2.04 Completion Report. 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 sixty (60) days after the Closing Date.

2.05. Financial Management. (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank no later than forty five (45) days after the entire period during which withdrawal from the Grant Account were made, in form and substance satisfactory to the World Bank.

(c) 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. Such audit of the Financial Statements shall cover the entire period during which withdrawals from the Grant Account were made. The audited Financial Statements for such period shall be furnished to the World Bank not later than three (3) months after the end of such period.

2.06. Procurement

(a) General. All services required for the Activities 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:

(i) 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”);

(ii) 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”); and

(iii) the provisions of this Section, 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”).
(b) **Definitions.** The capitalized terms used in the following paragraphs of 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.

(c) **Particular Methods of Procurement of Goods and Non-consulting Services**

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

(ii) The following methods, other than International Competitive Bidding, may be used for procurement of goods and non-consulting services for those contracts specified in the Procurement Plan: (a) Shopping; and (b) Direct Contracting.

(d) **Particular Methods of Procurement of Consultants' Services**

(i) Except as otherwise provided in item (ii) below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

(ii) The following methods may be used for the procurement of consultants' services for those assignments which are described 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) Selection of Individual Consultants; and (G) Single-source procedures for the Selection of Individual Consultants.

(e) **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.

### Article III

**Withdrawal of Grant Proceeds**

3.01. **Eligible Expenditures.** 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 100% of Eligible Expenditures consisting of Goods, Consultants’ Services, Training and Incremental Operating Costs.

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient, except that withdrawals up to an aggregate amount not to exceed twenty thousand United States Dollars (U.S.$20,000) equivalent may be made for payments made prior to this date but on or after February 1, 2013, for Eligible Expenditures.
3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is August 31, 2013.

**Article IV**

**Recipient’s Representative; Addresses**

4.01. **Recipient’s Representative.** The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is the Rector of Hasanuddin University.

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

Hasanuddin University  
Kampus Unhas Tamalanrea  
Jl. Perintis Kemerdekaan KM 10  
Makassar 90245

Phone: (0411)588888, 582500, 586997

Facsimile: (0411) 584024, 587032, 586997

4.03. **World Bank’s Address.** 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 1-202-477-6391  
Facsimile: 64145 (MCI)  
www.worldbank.org/id