Re: GEF - Reports to Conventions Grant No. TF018811
Kenya – Minamata Convention Initial Assessment

Dear Sirs:

In response to the request for financial assistance made on behalf of the Republic of Kenya (“Recipient”), I am pleased to inform you that the International Bank for Reconstruction and Development (“World Bank”), through the Global Environment Facility (“GEF”) Secretariat, proposes to extend to the Recipient a grant from the Reports to Conventions window of the GEF trust fund in an amount not to exceed Two Hundred Thousand United States Dollars (U.S. $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 project described in the Annex (“Project”).

This Grant is funded out of the GEF trust fund for which the World Bank, as the trustee of the fund, receives periodic contributions. 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 under the GEF trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement. In conformity with the understanding reflected in paras. 23-24 of GEF Council paper (GEF/C.38/6/Rev.1) on the policies and procedures for the execution of selected GEF activities, the Recipient also acknowledges that, if any of the projects/programs identified as a result of the Project are
financed with GEF funds, the projects/programs in question will have to comply with applicable environmental and social requirements.

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effective as of the date of the countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the countersigned copy of this Agreement within ninety (90) days after the date of signature of this Agreement by the World Bank, unless the World Bank shall have established a later date for such purpose.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
(through the Global Environment Facility Secretariat)

By

Naoko Ishii
CEO/Chairperson, Global Environment Facility

AGREED:
Republic of Kenya

By

Authorized Representative

Name
Henry Rotich
Title
Cabinet Secretary, The National Treasury
Date 19-03-2015

Enclosures:


(2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006.
GEF-RtC Grant No. TF018811
ANNEX

Article I
Standard Conditions; Definitions


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.

Article II
Project Execution

2.01. **Project Objective and Description.** (a) The objective of the Project is to assist the Recipient in carrying out the Minamata Convention initial assessments.

(b) The Project consists of the following activities: (i) assessment of legislation and policies in regard to the implementation of the provisions of Article 3, Article 5, Article 7 (including legislation and policy to cover formalization, worker health and safety), Article 8 (specifically in regard to relevant national air pollution/emission standards and regulations), Article 9 (specifically in regard to the ability to identify and categorize sources of releases) of the Minamata Convention on Mercury (“Convention”); (ii) initial inventory of mercury in the following categories: (A) stocks of mercury and/or mercury compounds and import and export procedures including an assessment of the storage conditions; (B) supply of mercury, including sources, recycling activities and quantities; (C) sectors that use mercury and the amount per year, including manufacturing processes, artisanal and small scale gold mining and mercury added products; and (D) trade in mercury and mercury containing compounds; (iii) identification of: (A) emission sources of mercury; and (B) Release sources of mercury to land and water; (iv) assessment of the institutional and capacity needs to implement the Convention including the systems needed to report to the Convention under Article 21 and identification of strengthening needs of national institutions required to implement the Convention; and (v) Project management.

2.02. **Project Execution Generally.** The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project through its Ministry of Environment, Water and Natural Resources in accordance with the provisions of: (a) 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. **Donor Visibility and Visit.** (a) The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the GEF’s support for the Project.

(b) For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the request of the World Bank, through the GEF Secretariat, enable GEF representatives to visit any part of the Recipient’s territory for purposes related to the Project.

2.04. **Project Monitoring, Reporting and Evaluation.** (a) The Recipient shall monitor and evaluate the progress of the Project in accordance with the provisions of Section 2.06 of the Standard Conditions. Without limitation to the foregoing, the Recipient shall furnish to the secretariat established pursuant to Article 24 of the Convention, with immediate notification to the GEF Secretariat, a report describing the following: (i) the national mercury profile, including significant sources of emissions and releases, as well as inventories of mercury and mercury compounds; (ii) structures, institutions, legislation available to implement the Convention; (iii) barriers that would hinder or prevent implementation of the Convention; (iv) technical and
financial needs for the implementation of the Convention; and, (iv) proposed measures to be taken to assist the Recipient to ratify the Convention and submit the notification required under Article 7 of the Convention, not later than one month before the Closing Date specified in Section 3.03 of this Agreement. This report will be the Completion Report referred to in Section 2.06 (ii) of the Standard Conditions.

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 not later than forty-five days after the end of each six months, covering the six months, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. The audit of the Financial Statements shall cover the entire period during which withdrawals from the Grant Account were made or any other period as agreed with the World Bank. The audited Financial Statements for such period shall be furnished to the World Bank not later than six months after the end of such period.

2.06. **Procurement.** All goods, non-consulting services, and/or consulting services required for the Project and to be financed, fully or partially, out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in 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 (revised July 2014) (“Procurement Guidelines”), and the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers”, dated January 2011 (revised July 2014) (“Consultant Guidelines”).

2.07 Any contract for Eligible Expenditures to be financed in full or in part out of the proceeds of the Grant shall be included in the procurement plan prepared by the Recipient and approved by the World Bank in accordance with the Procurement Guidelines and the Consultant Guidelines, prior to initiating the procurement process for any such contract.

**Article III**

**Withdrawal of Grant Proceeds**

3.01. **Eligible Expenditures.** (a) The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (i) the Standard Conditions; (ii) this Section; and (iii) 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, non-consulting services, consultants’ services including audit, meetings, workshops, training, and operating costs for the Project, inclusive of taxes.

(b) For the purposes of this Section, the term: (i) “meetings, workshops and training” means the reasonable costs, as shall have been approved by the World Bank, for training and workshops conducted under the Project, including tuition, travel and subsistence costs for training and workshop participants, costs associated with securing the services of trainers and workshop speakers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training course and workshop preparation and implementation (but excluding goods and consultants’ services); and (ii) “operating costs” means the reasonable costs, as shall have been approved by the World Bank, for the incremental expenses incurred on account of Project implementation, consisting of vehicle operation and maintenance, communication and insurance costs, banking charges, rental expenses, office (and office equipment) maintenance, utilities, document duplication/printing, consumables, travel cost and per diem for Project staff for travel linked to the implementation of the Project, and salaries of contractual staff for the Project (but excluding consultants’ services and salaries of officials of the Recipient’s civil service).
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.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is 12 months after the date of countersignature of this Agreement by the Recipient.

**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 its Cabinet Secretary.

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

Mr. Henry Rotich  
Cabinet Secretary  
National Treasury  
Treasury Building, Harambee Avenue  
P.O. Box 30007  
Nairobi, Kenya

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  
c/o CEO/Chairperson, Global Environment Facility  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

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