Re: GHANA: Strategic Climate Funds - Grant No. TF014224
Grant for Preparation of Forest Investment Program

Excellency:

In response to the request for financial assistance made on behalf of the Republic of Ghana ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development ("World Bank"), acting as Implementing Agency of the Strategic Climate Funds ("SCF"), proposes to extend to the Recipient a grant in an amount not to exceed five hundred thousand United States Dollars (U.S.$500,000) ("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 SCF 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.

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 SCF or in its own capacity, to assist in the financing of any project which may result from the Activities financed by the Grant.

July 16, 2013

Honourable Seth Terkper
Minister
Ministry of Finance and Economic Planning
Accra
Ghana
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 Strategic Climate Funds

By

Yusupha B. Crookes
Country Director for Ghana
Africa Region

AGREED:

REPUBLIC OF GHANA

By

Authorized Representative

Name

HON. SETH E. TERKPER
MIN. OF FIN. & ECON. PLANNING
P. O. BOX MB 40

Date: ACCRA 02/10/2013

Enclosures:


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

Article II
Grant Execution

2.01. **Grant Objectives and Description.** The objective of the Grant is to prepare the Forest Invest Program, which has as its objective to assist the Recipient in increasing forest stocks and Reducing deforestation in Ghana by supporting government steps towards transformations in Ghana's forest related policies and practices (proposed Project). The activities ("Activities") for which the Grant is given consist of the following parts:

1. **Detailed project analysis and consultations:** Support to refine the proposed Project sites selection to optimize carbon, biodiversity and poverty reduction objectives.

2. **Baseline data collection:** Support the baseline data modeling and collection for the development of a robust monitoring and evaluation system for the proposed Project.

3. **Safeguard documents preparation:** Support the preparation of terms of reference and development of the social and environmental safeguard documents for the proposed Project.

4. **Operational manual preparation:** Support the project's operational manual for the proposed Project.

5. **Communication strategy:** Develop a proactive communication strategy in order to improve success probability, strengthen buy-in from stakeholders, and promote behavioral changes to mitigate perception risks.
2.02. **Grant Execution Generally.** The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Activities through the Ministry of Lands and Natural Resources ("Implementing Entity") 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. **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 six (6) months after the Closing Date.

2.04. **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 45 days after the end of each calendar quarter, covering the quarter, 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 six months after the end of such period.

2.05. **Procurement**

   (a) **General.** All goods and 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"), in the case of goods and non-consulting services; and

(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, as the case may be.

(c) **Particular Methods of Procurement of Goods.** Except as the World Bank may otherwise agree, goods shall be procured under contracts awarded on the basis of Shopping.

(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- and Cost-based Selection (QCBS); (B) Least Cost Selection (LCS); (C) Selection based on Consultants' Qualifications (CQS); (D) Selection of Individual Consultants (IC); (E) Single-source Selection and (F) 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. All terms of reference for consultants' services, regardless of the contract value, shall be subject to the World Bank's prior review.

**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 and consultants' services.*
<table>
<thead>
<tr>
<th>Category¹</th>
<th>Amount of the Grant Allocated (expressed in [USD])²</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, consultants' services, training and operating cost under the Project</td>
<td>500,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>500,000</td>
<td></td>
</tr>
</tbody>
</table>

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 July 15, 2014.

**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 Minister responsible for finance.

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

Minister of Finance and Economic Planning  
Ministry of Finance and Economic Planning  
P.O. Box MB40  
Accra  
Ghana  

Cable:  
ECONOMICON  
Accra  

Telex:  
2205 MIFAEP GH  

Facsimile:  
233-210667069  

233-21-663854

4.03. **World Bank’s Address.** The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:
For guidance on additional categories please see the IDA Financing Agreement Drafting Guide. Also, if terms such as "Operating Costs", training and the like are to be used, they would need to be defined in this Section.

Insert the currency of denomination of the Grant.