Global Environment Facility
Grant Agreement

(MENA Desert Ecosystems and Livelihoods Knowledge Sharing and Coordination Project)

between

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

and

SAHARA AND SAHEL OBSERVATORY

Dated, June 10, 2013
GEF GRANT NUMBER TF013991

GLOBAL ENVIRONMENT FACILITY
GRANT AGREEMENT

AGREEMENT dated June, 10, 2013, entered into between SAHARA AND SAHEL OBSERVATORY ("Recipient") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("World Bank"), acting as an implementing agency of the Global Environment Facility ("GEF").

The Recipient and the World Bank hereby agree as follows:

Article I
Standard Conditions; Definitions

1.01. The Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated February 15, 2012 ("Standard Conditions"), with the modifications set forth in Section I of the Appendix to this Agreement, constitute an integral part of this Agreement.

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 this Agreement.

Article II
The Project

2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement ("Project"). To this end, the Recipient shall carry out the Project in accordance with the provisions of Article II of the Standard Conditions.

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 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 equal to one million United States Dollars ($1,000,000) ("Grant") to assist in financing 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 abovementioned trust fund for which the World Bank receives periodic contributions from the donor to the 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 abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

Article IV
Recipient’s Representative; Addresses

4.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is Mr. Khatim Kherraz, Executive Secretary of Sahara and Sahel Observatory.

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

Sahara and Sahel Observatory (OSS)
Boulevard du Leader Yasser Arafat
BP 31
Tunis Carthage
1080 - Tunisia

Facsimile:
(+216) 71 206 636

4.03. 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 64145 (MCI)
Facsimile: 1-202-477-6391
AGREED at Tunis, the Sahara and Sahel Observatory, as of the day and year first above written.

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

By

Authorized Representative

Name: Eileen Murray
Title: Resident Representative
Tunis Office
Maghreb Department

SAHARA AND SAHEL OBSERVATORY

By

Authorized Representative

Name: Khatim Kherraz
Title: Executive Secretary
SCHEDULE 1
Project Description

The objective of the Project is to strengthen cooperation among selected organizations of Beneficiaries in areas of sustainable management of desert ecosystems.

The Project consists of the following parts:

Part A: Knowledge Management and Sharing

Provision of goods and consultants’ services, including training and study tours, for establishing and strengthening existing networks between the relevant national institutions of Beneficiaries aimed to encourage management and sharing knowledge on key issues related to sustainable desert ecosystem management and their associated livelihoods, through *inter alia*:

(i) organizing workshops with sectoral or multi-sectoral focus with deserts as a central theme with relevant stakeholders from Beneficiaries; (ii) organizing study tours to share information on Beneficiaries’ pilot projects or other similar projects; and (iii) establishing web-based networks between sectoral experts on key relevant issues, emerging lessons and related policy implications related to the sustainable use of desert goods and services in the context of a given productive sector.

Part B: Monitoring and Evaluation

Provision of goods and consultants’ services to the Recipient for:

(i) establishing a programmatic level monitoring system for the Project based on aggregating national project level indicators and results; and

(ii) establishing a specific M&E system for the regional project that shall incorporate also a dedicated information system to:

(a) allow for the collection of data and information on desert ecosystems, livelihoods and sustainable management practices;

(b) disseminate information through a dedicated website;

(c) provide a link and a platform for exchange of information between partners;

(d) include a monitoring evaluation with predefined indicators to facilitate analysis, consistency and monitoring of activities; and

(e) moderate virtual discussions through existing or new web-based networks.

Part C: Project Coordination

Supporting the implementation of the Project by the Recipient, through the financing of the Incremental Operating Costs, the travel and meeting-related costs of the Project Steering Committee, including the carrying out of the audits for the Project, and management fees for the Recipient.
SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements

1. The Project Steering Committee shall be formed by one representative from each Beneficiary country and a representative of the Recipient as observer and with secretarial role. The PSC shall meet each 6 months and shall be responsible for the following activities, to be further detailed in the Project Implementation Manual (PIM): (a) validate the Project annual action plan as prepared by the Recipient and select the activities to be funded on an annual basis under the project subject to the non-objection by the Bank; (b) validate the decisions on the allocation of funds; (c) facilitate a two-way communication process between the Recipient and the National Implementing Institutions of the national projects of the Beneficiaries; and (d) review and approve the Project Reports referred in Section II.A.1 of this Schedule 2.

2. The National Implementation Institutions shall assist the Recipient in implementing the Project through, inter alia: (a) encouraging and supporting, at national level, the identification and the preparation of eligible proposals by local eligible institutions for activities under Part A; (b) consolidating eligible proposals and submitting them to the Recipient; (c) ensuring M&E activities at the national level, as per the design of respective national projects; (d) preparing a comprehensive annual progress report, as per the design of respective national projects; (e) strengthen the links with the implementing institutions of other countries to foster joint initiatives.

3. The Recipient shall shall implement the Project in accordance with the PIM and in coordination with the Project Steering Committee. The Recipient shall not amend, suspend, abrogate, repeal or waive any provision of the PIM without prior approval of the World Bank.

4. The Project Management Team (PMT) shall be responsible for the following activities, inter alia: (a) implementing the project according to the PIM; (b) ensure the fiduciary support of the implementation of the Project, including the financial management, procurement and monitoring and evaluation; (c) prepare procedures for submission of tenders concerning activities to be financed at the level of one or more Beneficiaries; (d) analyze proposals received from the National Implementation Partners concerning eligible activities to be financed under Part A of the project, and submit them to the approval of the PSC; (e) prepare a comprehensive annual progress report based on the annual project progress reports prepared by the National Implementing Institutions of the
Beneficiaries for respective national projects; and (f) organize the PSC meetings and assume the secretarial role.

B. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of 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”).

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. The Recipient shall monitor and evaluate the progress 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 indicators acceptable to the World Bank. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the World Bank not later than one month 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 six months after the Closing Date.

B. 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 the Project are prepared and furnished to the World Bank not later than forty five (45) days after the end of each calendar semester, covering the semester, in form and substance satisfactory to the World Bank.

3. 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. Each audit of the Financial Statements shall cover one fiscal year. The Recipient shall ensure that the audited financial statements for each period shall be: (i) furnished to the World Bank not later than six (6) months after the end of such period; (ii) shall include: (a) a cash flow statement, (b) a financial closing, (c) a statement of on-going commitments, and (d) an analysis of payments; and (iii)
made publicly available in a timely fashion and in a manner acceptable to the World Bank.

4. The Recipient shall carry on an annual audit report of the Project accounts to be audited by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank.

5. The Recipient shall be audited annually in accordance with international standards. The statutory audit report shall be approved by the Recipient’s Board of directors and must include a financial audit report and a management letter. The auditor shall express a professional opinion on the annual financial statements and submit the statutory audit report to the Recipient. The Recipient shall submit the statutory audit report to the World Bank within six (6) months after the end of each accounting period and according to agreed terms of reference to be developed and agreed within two (2) months from the Project’s effectiveness.

Section III. Procurement

A. General

1. Procurement and Consultant Guidelines. All goods, non-consulting-services and consultants’ services required for 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 “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 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”) in the case of consultants’ services; and

(b) the provisions of this Section III, 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”).

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, and Non-consulting Services**

1. **International Competitive Bidding.** 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.

2. **Other Methods of Procurement of Goods and Non-consulting Services.** 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.

**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) Least Cost Selection; (b) Selection based on Consultants’ Qualifications; (c) Single-source Selection of consulting firms; (d) Selection of Individual Consultants; and (e) 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 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 Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant ("Category"), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, non-consulting services, consultants' services, training and study tours under Parts A and B of the Project</td>
<td>900,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Incremental Operating Costs and audits under Part C of the Project</td>
<td>56,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Management Fees under Part C of the Project</td>
<td>44,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>1,000,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

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 October December 31, 2017.
APPENDIX

I. Modifications to the Standard Conditions

The Standard Conditions are modified as follows:

1. The reference to “Member Country” in the Standard Conditions means the member of the World Bank in whose territory the Project is carried out or any of such member’s political or administrative subdivisions, or if the Project is carried out in the territory of more than one member of the World Bank, “Member Country” refers separately to each such member.

II. Definitions

1. “Beneficiary” or “Beneficiaries” means the Democratic and Popular Republic of Algeria, the Arab Republic of Egypt, The Hashemite Kingdom of Jordan, the Kingdom of Morocco and the Republic of Tunisia or any other country to be included in this Project based on the decision of the PSC (hereinafter defined) and as agreed with the World Bank.

2. “Incremental Operating Costs” means the incremental costs incurred by the Recipient for the functioning of PSC (hereinafter defined) and in connection with the implementation of the Project, including staff salaries, strengthening of fiduciary capacities of staff and related travels, local and international travels in relation to the implementation of the Project, translation costs, electricity, phone, office supplies and equipment, software licenses, rental and maintenance of photocopy machines and computer equipment, excluding maintenance costs for vehicles, insurances, fuel.

3. “M&E” means monitoring and evaluation.

4. “Management Fees” means the costs incurred by the Recipient for the management and coordination of the Project, including inter alia staff salaries, electricity, phone, office supplies, software licenses, rental and maintenance of photocopy machines and computer equipment and other costs as agreed with the World Bank, excluding maintenance costs for vehicles, insurances, fuel.

5. “MENA-DELP program” means Middle East North Africa - Desert Ecosystems and Livelihoods Knowledge Sharing and Coordination program.

6. “National Implementing Institutions” means the national institutions as referred to in Section I.A.2 of Schedule 2 of this Agreement that are selected at the national level of each of the Beneficiaries (hereinafter defined), to assist the Recipient in carrying out the implementation of the activities under this Project.
7. "Project Implementation Manual" means the manual describing the implementation, financial management, procurement, disbursement, monitoring and evaluation, and reporting arrangements for the Project adopted by the Recipient and dated April, 18, 2013, and referred to in Section I.A.3 of Schedule 2 to this Agreement.

8. "Project Management Team" or "PMT" means the project management team established by the Recipient for purposes of Project management and implementation dated April, 18, 2013 and referred to in Section I.A.4 of Schedule 2 to this Agreement.

9. "Project Steering Committee" or "PSC" means the committee composed of one representative from each of the Beneficiaries, as appointed by such Beneficiaries dated April, 18, 2013, and referred to in Section I.A.1 of Schedule 2 to this Agreement.

10. "Study tours" means expenditures incurred in connection with study tour activities to be carried out under Part A of the Project.

11. "Training" means expenditures incurred in connection with workshops, seminars, meetings and conferences to be carried out under the Project, including air tickets, local transportation, per diem, hotel, coffee breaks, meals, exchange and wire transfer fees, visa costs, participants' medical and travel insurance; and conference rooms, equipment and logistic arrangements for workshops, seminars, meetings and conferences.