Strategic Climate Fund
Forest Investment Program
Grant Agreement
(Mozambique Forest Investment Project)

between

REPUBLIC OF MOZAMBIQUE

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
(acting as an implementing entity of the Forest Investment Program
under the Strategic Climate Fund)

Dated May 11, 2017
whereas the Recipient, having satisfied itself as to the feasibility and priority of the Project described in Schedule 1 to this Agreement ("Project"), has requested the World Bank to assist in financing the Project;

(b) whereas by agreement of even date herewith (the IDA Financing Agreement), the Association has agreed to extend to the Recipient a credit in the amount of eleven million and two hundred thousand Special Drawing Rights (SDR 11,200,000) (the IDA Financing) to assist the Recipient in financing the Project;

(c) whereas by agreement of even date herewith (the FIP Loan Agreement), the World Bank, acting as administrator of the Forest Investment Program under the Strategic Climate Fund (FIP-SCF), has agreed to extend to the Recipient a loan in the amount of thirteen million two hundred thousand Dollars ($13,200,000) (the FIP Loan) to assist the Recipient in financing the Project; and

(d) whereas the Recipient has also requested the Association, acting as administrator of the Integrated Landscape and Forest Management Multi-Donor Trust Fund (MDTF TF), to provide additional financial assistance towards the financing of the Project, and by agreement of even date herewith between the Recipient and the Association, acting as administrator of the MDTF (the MDTF Grant Agreement), the Association has agreed to extend to the Recipient a grant in the amount of three million Dollars ($3,000,000) (the MDTF Trust Fund Grant) to assist in the financing of the Project;

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 this
Article II
The Project

2.01. The Recipient declares its commitment to the objectives of the Project, to this end, the Recipient shall cause FNDS, through the Subsidiary Agreement, to carry out the Project, in collaboration with DINAF, DINAT, DINOTER, MASA, FUNAE AQUA and ANAC, all 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 not to exceed eight million eight hundred thousand United States Dollars ($8,800,000) (“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 donors 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
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 conditions specified below have been satisfied:

(a) that the execution and delivery of this Agreement on behalf of the Recipient have been duly authorized or ratified by all necessary governmental and corporate action; and
that the IDA Financing Agreement, the FIP Loan Agreement and the MDTF Grant Agreement have been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.

4.02. As part of the evidence to be furnished pursuant to Section 4.01 (a), there shall be furnished to the World Bank an opinion or opinions satisfactory to the World Bank of counsel acceptable to the World Bank or, if the World Bank so requests, a certificate satisfactory to the World Bank of a competent official of the Recipient, showing that on behalf of the Recipient, that this Agreement has been duly authorized or ratified by, and executed and delivered on its behalf and is legally binding upon it in accordance with its terms.

4.03. Except as the Recipient and the World Bank 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 4.01 ("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.

4.04. **Termination for Failure to Become Effective.** This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date 90 days after the date of this Agreement (the Effectiveness Deadline), 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.

4.05 Without prejudice to Section 4.01 of this Agreement, the Effectiveness Deadline shall in no case be later than eighteen (18) months after the World Bank's approval of the Grant.
Article V
Recipient’s Representative; Addresses

5.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its minister in charge of economy and finance or any successor thereto.

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

Ministry of Economy and Finance
Praça da Marinha Popular
Av. 10 de Novembro nº 929
Maputo
Republic of Mozambique

Facsimile:
+258 21313747

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 Maputo, Republic of Mozambique, as of the day and year first above written.

REPUBLIC OF MOZAMBIQUE

By

[Signature]

Authorized Representative

Name: Adriano Matheus

Title: [Blank]

INTERNATIONAL DEVELOPMENT ASSOCIATION
(acting as an implementing entity of the Forest Investment Program under the Strategic Climate Fund)

By

[Signature]

Authorized Representative

Name: Mark R. Linden

Title: Country Director
SCHEDULE 1

Project Description

The objective of the Project is to improve the practices and enabling environment for forest and land management in Targeted Landscapes.

Part A: Promoting Integrated Landscape Management

1. Strengthening land tenure security of local communities and small and medium landholders and enhancing their capacity to plan the use of natural resources over which they have rights, and to enhance the capacity of local actors on land use planning, through:

   (i) the provision of support for the land delimitation of communities, including the issuance of community delimitation certificates, the preparation of community-level land use plans and the strengthening of community based organizations, including CGRNs;

   (ii) the issuance of DUATs to small and medium landholders engaged in planted forests and agro-forestry;

   (iii) the provision of institutional support to the provincial land administration service in the Cabo Delgado province through infrastructure rehabilitation, office equipment, and maintenance of the land management system;

   (iv) the strengthening of MSLFs in the Targeted Landscapes to facilitate multi-stakeholder coordination and dialogue, and landscape-level monitoring; and

   (v) the promotion of the use of geo-spatial tools at the provincial and district levels within the Targeted Landscapes to improve land use planning through equipment acquisition and operational costs.

2. Promoting multi-purpose planted forests, agroforestry systems and sustainable charcoal production, through:

   (i) the implementation of a Planted Forests Grant Scheme for small and medium landholders and local communities for the establishment of multi-purpose plantations;

   (ii) the provision of technical assistance to participants of the Grant Scheme through a Service Provider under the supervision of the FNDS.
(iii) the establishment of agroforestry systems through the provision of technical assistance and agro-forestry inputs (i.e. quality seeds, fertilizers, tree seedlings) to beneficiaries; and

(iv) the promotion of sustainable charcoal production, through the provision of support for: (a) the preparation of forest management plans for charcoal production; (b) the use of alternative sources of wood for charcoal production; and (c) the provision of training and assistance in the use of more efficient charcoal-making kilns to charcoal producer organizations and/or individual producers.

Part B: Strengthening Enabling Conditions for Sustainable Forest Management

1. Providing support for the development of a national land use plan to promote more sustainable and long-term land use decisions.

2. Strengthening of the Recipient's forest governance, through:

   (i) The strengthening of forest sector patrolling and inspection, prevention and detection through support to the Recipient's forest law enforcement institutions, including: (i) training and technical assistance on planning and monitoring for AQUA, including to strengthen coordination with other institutions involved in law enforcement; (ii) provision of capacity strengthening to forest rangers at AQUA and ANAC; (iii) provision of support for the establishment of AQUA's provincial delegations in the Targeted Landscapes; (iv) strengthening of the management of conservation areas in the Targeted Landscapes (Gile National Reserve and Quirimbas National Park).

   (ii) The design and implementation of a forest information system, including the financing of equipment, data collection and capacity building.

   (iii) The provision of support for citizen engagement in a national forest forum, as well as the carrying out of regular and participatory evaluations of the forest sector.

3. Strengthening natural forest management to ensure sustainable use of forest resources, to increase benefits to local communities, and to add value to forest products, through:

   (i) The provision of training to forest operators, committed to sustainable forest management, in obtaining forest certification and in adding value to forest products; and to the forest administration, particularly at the provincial level, on different aspects of forest management, including
(ii) The provision of support for sustainable small-scale forest business, such as community enterprises, micro, small and medium enterprises and the community private sector partnerships, to add value to forest products.

Part C: Project Coordination and Management

The Project will finance the incremental costs of FNDS related to the Project management, including the costs of the Landscape Coordination Units (LCUs). This includes support for project coordination and management, including fiduciary and safeguards management, monitoring and evaluation (M&E), and communications.
SCHEDULE 2

Project Execution

Section 1. Institutional and Other Arrangements

A. Institutional Arrangements

1. Subsidiary Agreement

(a) To facilitate the carrying out of the Project, the Recipient shall make the proceeds of the Loan available to FNDS under a subsidiary agreement between the Recipient and FNDS, under terms and conditions approved by the World Bank (“Subsidiary Agreement”).

(b) The Recipient shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Loan. Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

2. Steering Committee

The Recipient shall maintain a steering committee (the Steering Committee), at all times during Project implementation, with a structure, functions and responsibilities acceptable to the Association, which shall be responsible for overall Project oversight and guidance. The Steering Committee shall be chaired by the Recipient’s Ministry of Land, Environment and Rural Development (“MITADER”) and shall include as members' representatives from FNDS, DINAF, AQUA, UEM, MASA, MIREME as well as representatives of the private sector, NGOs development partners, and a representative of the steering committee of the DGM. The UGFI shall serve as the Steering Committee's Secretariat.

3. Unit for Management of International Funds (UGFI)

(a) The Recipient shall maintain the UGFI within the FNDS at MITADER, with a structure, equipment, functions and responsibilities acceptable to the World Bank, including, inter alia, the responsibility of the UGFI to assist the Recipient in the day-to-day management of all Projects activities, including technical supervision and coordination, overall Project planning, quality oversight, communication, reporting, procurement, financial management, safeguards management, and monitoring of Project activities.
(b) The Recipient shall ensure that the UGFI is headed by a Project coordinator and staffed, at a minimum, with a financial management specialist, a procurement specialist, an accountant, a safeguards specialist, a monitoring and evaluation officer, a communications specialist and technical specialists for coordination of the following areas of expertise: land, forestry, agriculture, biomass energy, community development, and administrative staff, all hired with terms of reference, through competitive processes, in numbers and with qualifications and experience acceptable to the World Bank.

4. **Landscape Coordination Units (LCUs)**

   (a) The Recipient shall maintain LCUs in each Province with structure, equipment, functions and responsibilities acceptable to the World Bank, including *inter alia*, the responsibility of each LCU to coordinate and monitor Project implementation at the provincial level.

   (b) The Recipient shall ensure that each LCU is headed by a Provincial Project field coordinator and staffed with technical specialists to carry out their responsibilities under the Project at the provincial level.

5. **Provincial Multi-Stakeholder Landscape Forums (MSLFs)**

   The Recipient shall maintain its cooperation with MSLFs in each Province, with the responsibility to coordinate and integrate landscape management at the provincial level.

6. **Grievance Redress Mechanism**

   The Recipient shall, not later than six (6) months after the Effective Date, develop and adopt, in form and substance acceptable to the World Bank and following the guidelines set forth in the Project Implementation Manual, a grievance redress mechanism that encompasses transparent, timely and fair procedures that will allow people potentially affected by the Project to peacefully settle any possible grievance and will ensure that all complaints received from beneficiaries and other interested stakeholders related to any activity under the Project, are properly and timely addressed.

**B. Project Implementation Manual**

1. The Recipient shall ensure that the Project is implemented in accordance with the provisions of a manual satisfactory to the World Bank (“Project Implementation Manual”), which shall include the following provisions: (a) institutional coordination and day-to-day execution of the Project; (b) Project budgeting, disbursement and financial management; (c) procurement; (d) monitoring,
evaluation, reporting and communication of Project activities; (e) eligibility
criteria and procedures for the provision of Planted Forests Grants; and (f) such
other administrative, financial, technical, and organizational arrangements and
procedures as shall be required for the Project.

2. The Recipient shall not amend, abrogate, waive or fail to enforce any provision of
the Project Implementation Manual without the prior written agreement of the
Bank; provided, however, that in case of any conflict between the arrangements
and procedures set out in the Project Implementation Manual and the provisions of
this Agreement, the provisions of this Agreement shall prevail.

C. Annual Work Plan and Budget

1. The Recipient shall, not later than November 1 of each year of Project
implementation, prepare and furnish to the World Bank, an annual work plan and
budget ("Annual Work Plan and Budget") containing all activities proposed to be
included in the Project and a proposed financing plan for expenditures required for
such activities, setting forth the proposed amounts and sources of financing.

2. The Recipient shall afford the World Bank a reasonable opportunity to exchange
views with the Recipient on such proposed Annual Work Plan and Budget and
thereafter ensure that the Project is implemented in accordance with such Annual
Work Plan and Budget as shall have been approved by the World Bank.

D. Planted Forest Grant Scheme under Part A.2 (i) of the Project

1. Eligibility Criteria and Procedures for Provision of Planted Forests Grants

The Recipient shall provide Planted Forests Grants to PFG Beneficiaries for
purposes of undertaking Planted Forests Grants Investments, in accordance with
eligibility criteria and procedures acceptable to the World Bank and further
elaborated in the Project Implementation Manual, which shall include the
following:

(a) A proposed Beneficiary shall be eligible to receive a Planted Forests Grant
provided said Beneficiary:

(i) is a small or medium landholder, or a local community
participating individually or associated with other landholders; and

(ii) has prepared a satisfactory Planted Forest Grant business plan,
including financing plan and budget, and a satisfactory forest
management plan for the proposed Planted Forest Grant
investment.
(b) No proposed Planted Forest business plan shall be eligible for financing under a Planted Forests Grant unless the Recipient shall have determined, on the basis of an appraisal carried out in accordance with guidelines acceptable to the World Bank and elaborated in the Project Implementation Manual, that the proposed Planted Forest business plan:

(i) is technically feasible and economically and financially viable; and

(ii) has fulfilled the requirements of any applicable Safeguard Instrument.

(c) Without limitation on the provisions of sub-paragraph (b)(ii) immediately above, if, pursuant to the ESMF, one or more Safeguard Instruments for the Planted Forest Grant Investment are required, such proposed Planted Forest Investment shall not be eligible for financing under a Planted Forests Grant until such Safeguard Instruments have been prepared in accordance with the provisions of paragraph (d) of this Section F, and all measures required to be carried out in accordance with Section I.F of this Schedule prior to commencement of the activities covered by the Safeguard Instruments have been carried out.

(d) The first five (5) Planted Forests Grant for a Planted Forest Investment requiring a Safeguard Instrument shall be subject to the World Bank’s prior written approval and shall only be eligible for financing under the Financing if and to the extent approved by World Bank.

2. Terms and Conditions for Planted Forests Grants

The Recipient shall provide each Planted Forests Grant to a Beneficiary under a Planted Forests Grant Agreement to be entered among the Recipient, the respective Beneficiary and a Service Provider, on terms and conditions approved by the World Bank, and consistent with the model form of the Planted Forests Grant Agreement included in the Project Implementation Manual, which shall include, inter alia, the following:

(a) The Recipient shall obtain rights adequate to protect its interests and those of the World Bank, including the right to:

(i) suspend or terminate the right of the Beneficiary to use the proceeds of the Planted Forests Grant or obtain a refund of all or any part of the amount of the Planted Forests Grant then withdrawn, upon the Beneficiary’s failure to perform any of its obligations under the Planted Forests Grant Agreement; and
require each Beneficiary and Service Provider, as the case may be, to:

(A) carry out the Planted Forests Grant Investment with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the World Bank, including in accordance with: (1) the provisions of the Anti-Corruption Guidelines applicable to Recipients of loan proceeds other than the Recipient; and (2) the Safeguard Instruments;

(B) enable the Recipient and the Association to inspect the Planted Forests Investment, its operation and any relevant records and documents, in order to monitor and evaluate the progress and achievement of the objectives of said Investments, all in accordance with the Project Operational Manual; and

(C) prepare and furnish to the Recipient and the World Bank all such information as the Recipient or the World Bank shall reasonably request relating to the foregoing.

(b) The Recipient shall exercise its rights under each Planted Forests Grant Agreement in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Financing. Except as the World Bank shall otherwise agree in writing, the Recipient shall not assign, amend, abrogate or waive any Planted Forests Grant Agreement or any of its provisions.

E. 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”).

F. Safeguards

1. The Recipient shall carry out the Project in accordance with the Safeguard Instruments, including guidelines, rules and procedures defined in the said Safeguard Instruments.
2. To this end, the Recipient shall take, or cause to be taken, the following measures in a manner acceptable to the World Bank:

(a) Project activities shall be screened in accordance with the ESMF and/or the PF, as the case may be, to determine if any ESMP or CDAP is needed.

(b) Whenever an ESMP or a CDAP would be required on the basis of the ESMF or the PF: (i) each such ESMP or CDAP shall be prepared in accordance with the requirements of the ESMF or the PF, as the case may be, adopted and disclosed by the Recipient, and subject to prior approval by the World Bank; and (ii) the Recipient shall refrain from financing any civil works contract during Project implementation unless and until such ESMP and/or CDAP has been prepared in accordance with the ESMF and/or PF as the case may be, adopted and disclosed by the Recipient, and approved by the World Bank; and

3. The Recipient shall take all measures necessary for carrying out the requirements of the Safeguard Instruments in a timely manner.

4. Without limitation to paragraph 1(b) of Section IV.B of this Schedule, no works shall be eligible for financing unless prior to the commencement of such works an ESMP was prepared, adopted and disclosed by the Recipient, and approved by the World Bank.

5. Without limitation to its other reporting obligations under this Agreement and under Section 4.08 of the General Conditions, the Recipient shall include in the Project Reports referred to in Section II.A of this Schedule adequate information on the implementation of the Safeguard Instruments, giving details of:

(a) measures taken in furtherance of such Safeguard Instruments;

(b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such Safeguard Instruments; and

(c) remedial measures taken or required to be taken to address such conditions and to ensure the continued efficient and effective implementation of such Safeguard Instruments.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

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 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.

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 quarter, covering the quarter, 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 the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six 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 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:


   (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, 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) Direct Contracting; (b) Shopping; (c) Community Participation procedures acceptable to the World Bank; (d) Procurement from UN Agencies; and (e) National Competitive Bidding (“NCB”), subject to the following additional provisions:

(i) General. The procedures to be followed for NCB shall be those set forth in the Regulation, with the modifications described in the following paragraphs.

(ii) Eligibility. No restriction based on nationality of bidders and/or origin of goods shall apply. Foreign bidders shall be allowed to participate in NCB without restriction and shall not be subject to any unjustified requirement which will affect their ability to participate in the bidding process such as, but not limited to, the proof that they are not under bankruptcy proceedings in the Recipient’s territory; have a local representative; have an attorney resident and domiciled in the Recipient’s territory; form a joint venture with a local firm. In cases of joint ventures, they shall confirm joint and several liability.

Prior registration, obtaining a license or agreement shall not be a requirement for any bidder to participate in the bidding process.

Recipient’s government-owned enterprises or institutions shall be eligible to participate in the bidding process 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) Bidding Documents. Standard bidding documents acceptable to the World Bank shall be used for any procurement process under NCB.
(iv) **Preferences.** No domestic preference shall be given to domestic bidders and/or to domestically manufactured goods.

(v) **Applicable Procurement Method under the Regulation.** Subject to these NCB exceptions, procurement under NCB shall be carried out in accordance with the Regulation’s public competition (“Concurso Público”) method.

(vi) **Bid Preparation Time.** Bidders shall be given at least twenty-eight (28) days from the date of the invitation to bid or the date of availability of bidding documents, whichever is later, to prepare and submit bids.

(vii) **Bid Opening.** Bids shall be opened in public, immediately after the deadline for their submission in accordance with the procedures stated in the bidding documents.

(viii) **Bid Evaluation**

(A) 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; the evaluation of the bidder’s qualifications should be conducted separately from the technical and commercial evaluation of the bid. Qualification criteria shall be applied on a pass or fail basis.

(B) Evaluation of bids shall be made in strict adherence to the criteria declared in the bidding documents; criteria other than price shall be quantified in monetary terms.

(C) A contract shall be awarded to the qualified bidder offering the lowest-evaluated and substantially responsive bid.

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

(ix) **Rejection of All Bids and Re-bidding.** All bids shall not be rejected and new bids solicited without the World Bank’s prior concurrence.

(x) **Complaints by Bidders and Handling of Complaints.** The Recipient shall establish an effective and independent complaint mechanism allowing bidders to complain and to have their complaint handled in a timely manner.

(xi) **Right to Inspect/Audit.** In accordance with paragraph 1.16(e) of the Procurement Guidelines, each bidding document and contract financed
from the proceeds of the Financing shall provide that: (i) the 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; and (ii) the deliberate and material violation by the bidder, supplier, contractor or subcontractor of such provision may amount to obstructive practice as defined in paragraph 1.16(a)(v) of the Procurement Guidelines.

(xii) **Fraud and Corruption.** Each bidding document and contract financed from the proceeds of the Financing shall include provisions on matters pertaining to fraud and corruption as defined in paragraph 1.16(a) of the Procurement Guidelines. The World Bank may sanction a firm or individual, at any time, in accordance with prevailing World Bank sanctions procedures, including by publicly declaring such firm or individual ineligible, either indefinitely or for a stated period of time: (i) to be awarded an World Bank-financed contract; and (ii) to be a nominated sub-contractor, consultant, supplier or service provider of an otherwise eligible firm being awarded an World Bank-financed contract.

(xiii) **Debarment under National System.** 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 procedure afforded due process and the debarment decision is final.

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) 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) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; (g) Single-source procedures for the Selection of Individual Consultants; and (h) selection of UN Agencies.
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>Goods, works, non-consulting services, Operating Costs, Planted Forests Grants, Training and consultants’ services for the Project</td>
<td>8,800,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>8,800,000</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 June 30, 2022.