

June 24th, 2019

H.E. Roger Owono Mba
Minister of Economy, Finance and National Solidarities
Ministry of Economy, Finance and National Solidarities
Building Arambo
B.P. 747
Libreville, Gabon

Re: FCPF Grant No. TF0B0617
Gabon: Readiness Preparation Proposal
Letter Agreement

Excellency:

I wish to refer to Resolution PC2008-2 of the Participants Committee (“PC”) of the Forest Carbon Partnership Facility (“FCPF”) regarding Selection of REDD Country Participants (“Resolution PC2008-2”). Resolution PC2008-2 provides that subject to the availability of funds, eligible REDD Country Participants may receive grant funding of up to three million six hundred thousand United States Dollars (USD3,600,000) for formulating and carrying out a Readiness Preparation Proposal (“R-PP”).

Gabon (“Recipient”) was selected as a REDD Country Participant. The PC has reviewed the R-PP submitted by the Recipient and acknowledged the great efforts made by the Recipient in formulating its R-PP. Accordingly, the PC, through its Resolution PC/24/2017/6, decided to allocate grant funding to the Recipient in the amount of up to one million nine hundred and fifty thousand Dollars (USD1,950,000,000) (“Grant”), to enable it to move ahead with preparation for readiness, subject to the terms and conditions set out in said Resolution.

In response to the request for financial assistance made on behalf of the Recipient and the decisions of the PC referred to above, I am pleased to inform you that the International Bank for Reconstruction and Development (“World Bank”), acting as trustee of the Readiness Fund of the FCPF, proposes to allocate to the Recipient the Grant in the amount of three million nine hundred and fifty thousand Dollars (USD1,950,000) 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 Readiness Preparation Activities described in the Annex.

This Grant is funded out of the abovementioned FCPF 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 (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 abovementioned 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 Readiness Preparation Activities in accordance with the terms and conditions set forth or referred to in this Agreement.

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.

Very truly yours,
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
Acting as Trustee of the Readiness Fund of the Forest Carbon Partnership Facility

By


Elisabeth Huybens
Country Director for Gabon
Africa Region

AGREED:
GABONESE REPUBLIC

By


Authorized Representative

Name OXONO MBA

Title Minister of Economy, Finance and National Solidarities

Date 9 July 2019

Enclosures:

- (1) Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated February 15, 2012
- (2) Disbursement Letter of the same date as this Agreement, together with the "Disbursement Guidelines for Investment Project Financing", dated February 2017
- (3) Charter Establishing the Forest Carbon Partnership Facility, dated November 23, 2015.
- (4) Guidelines on Preventing and Combating Fraud and Corruption in Project Financed by IBRD Loans and IDA Credits and Grants, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.
- (5) World Bank Procurement Regulations for Borrowers under Investment Project Financing, dated July 1, 2016.

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”), with the modifications set forth below constitute an integral part of this Agreement.

(a) The following term and definition shall be added to the Appendix to the Standard Conditions as paragraph 18 bis to read as follows:

18bis “‘Readiness Preparation Activities’ means the activities, described in the Agreement, for which the Grant is made, as the description of said activities may be amended from time to time by agreement between the Recipient and the World Bank.”

(b) The term “Project” and its definition shall be deleted in their entirety from the Standard Conditions; and all references throughout the Standard Conditions to the term “Project” shall be deemed to refer to the “Readiness Preparation Activities.”

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, the Charter Establishing the Forest Carbon Partnership Facility (“Charter”), or in this Agreement.

- (a) “AGEOS” or “*Agence gabonaise d’études et d’observations*” means the national agency of space studies and observations established for the purpose of implementing the Recipient's policy on the acquisition, processing, analysis and provision of earth observation data for the sustainable management of natural resources and land use planning, as well as research and innovation.
- (b) “ANPN” or “*Agence Nationale des Parcs Nationaux*” means the national agency of parks established pursuant to the Recipient’s Law 003/2007 for the purpose of managing the Recipient’s national parks.
- (c) “NCC” or “National Climate Council” means the inter-ministerial body, chaired by the President of the Republic, that leads the planning and implementation process for REDD+ in Gabon.
- (d) “REDD+” means reducing emissions from deforestation and forest degradation, conservation of forest carbon stocks, sustainable management of forest, and enhancement of forest carbon stocks.
- (e) “Steering Committee” means the Steering Committee for this Project, which was established for the Gabonese Central African Forest Initiative (CAFI) project, is chaired by a representative of the Ministry of Economy, Prospective and Development Programming, and comprises national advisors from other main ministries concerned.

Article II Project Execution

2.01. ***Project Objectives and Description.*** The objective of the Project is to improve emissions estimates from the forestry sector and design a strategy to reduce emissions from forestry practices at a national scale, including examining the potential for reforestation. The Project consists of the following parts:

Component 1: Improve baseline emissions calculations from forestry sector

- 1.1 Train an inventory team and implement improved degradation methodology in forestry concessions at national scale to calculate emissions from forestry sector.

Component 2: Design of a national emissions reduction strategy for the forestry sector

- 2.1 Design and implement a strategy to reduce emissions from logging operations.
- 2.2 Evaluate the potential of reforestation and or wood plantation programs, particularly in highly degraded forests as an additional means of reducing emissions from the forestry sector.
- 2.3 Design and implement a strategy for certifying forestry concessions engaged in the Recipient's emissions reduction program with the "Green Gabon" label.
- 2.4 Conduct Strategic Environmental and Social Assessment (SESA) and develop safeguards instruments.

Component 3: Project coordination

- 3.1 Carrying out the overall daily administration of the Project including the hiring of staff required for the purpose.

2.02. ***Execution Generally.*** The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through the ANPN ("Project Implementing Entity") 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 and as of July 1, 2016 ("Anti-Corruption Guidelines"); and (c) this Article II.

2.03. ***Institutional and Other Arrangements.*** Without limitation upon the provision of paragraph 2.02 above, the Recipient shall:

- (i) ensure that, throughout the period of implementation of the Readiness Preparation Activities, the NCC, the Steering Committee, and the APN and the AGEOS have assigned staff and resources in adequate number acceptable to the World Bank, in order to carry out the Readiness Preparation Activities; and
- (ii) cause the Project Implementing Entity to install an accounting software and provide training for its users, all in a manner acceptable to the World Bank.

2.04. **Safeguards**

(a) all terms of reference for any technical assistance or studies carried out under the Readiness Preparation Activities are consistent with, and pay due attention to, the World Bank's environmental and social safeguards policies, as well as the Recipient's own laws relating to the environment and social aspects; and

(b) in drafting any laws or regulations under the Readiness Preparation Activities, due attention will be given to said policies and laws.

2.05. **Mid-term Progress Report and Completion Report.** The Recipient shall, not later than April 30, 2020, prepare and furnish to the World Bank a mid-term progress report on the Readiness Preparation Activities in accordance with terms of reference acceptable to the World Bank, including the provisions of Section 6.3(b) of the Charter and Resolutions PC/7/2010/3 and PC/12/2012/2.¹ The Recipient shall also prepare and furnish to the World Bank not later than six months after the Closing Date, a Completion Report in accordance with the provision of Section 2.06(b) (ii) of the Standard Conditions.

2.06. **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 (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 audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such 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.

2.07. **Procurement**

All goods, non-consulting services and consulting 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 the "World Bank Procurement Regulations for IPF Borrowers" dated July 2016, revised November 2017 and August 2018 ("Procurement Regulations"), and the provisions of the Recipient's procurement plan for the Project ("Procurement Plan") dated June 4, 2019, provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the World Bank.

¹ Resolution PC/7/2010/3 requires the REDD Country Participant to submit a mid-term progress report to the PC according to a timetable that shall be jointly agreed in the Readiness Preparation Grant Agreement between the World Bank and the REDD Country Participant. When the World Bank receives the REDD Country Participant's mid-term progress report in accordance with the timetable set out in Section 2.05 of this Agreement, it will forward the progress report to the PC for its review. Resolution PC/12/2012/2 specifies the process for the submission and review of mid-term progress report, including the format of such progress report.

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 “Disbursement Guidelines for Investment Project Financing”, dated February 2017, 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, Training and Workshops, and Operating Costs inclusive of Taxes.

For the purpose of Section 3.01, (i) the term “Training and Workshops” means the reasonable costs, as shall have been approved by the World Bank, for training and workshops conducted under the Readiness Preparation Activities, 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 courses and workshop preparation and implementation (but excluding goods and consultant’s services); and (ii) the term “Operating Costs” means the reasonable costs, as shall have been approved by the World Bank, for the incremental expenses incurred on account of the implementation of the Readiness Preparation Activities, 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 Readiness Preparation Activity staff for travel linked to the implementation of the Readiness Preparation Activities, and salaries of contractual staff for the Readiness Preparation Activities (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 this Agreement.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2020.

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 condition specified below has been satisfied:

the accounting software referred to in Section 2.03 (ii) of this Annex has been installed and training has been delivered to its users, satisfactory to the World Bank.

4.02. 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.

4.03. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (90) days after the date of this Agreement, 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.

Article V
Recipient's Representative; Addresses

5.01. **Recipient's Representative.** The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its Minister responsible for economy, prospective and development programming.

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

Building Arambo
B.P. 747
Libreville, Gabon

Email: lwhiteanpn@gmail.com

5.03. **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

Telex:	Facsimile:
248423 (MCI) or 64145 (MCI)	1-202-477-6391