Scaling Up Renewable Energy Program in Low Income Countries ("SREP") Multi-donor Trust Fund
Grant Agreement
(Extended Biogas Project)

between

NEPAL

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

acting as an Implementing Agency of the Scaling Up Renewable Energy Program in Low Income Countries ("SREP") Multi-donor Trust Fund under the Strategic Climate Fund

Dated November 24, 2014
SCALING UP RENEWABLE ENERGY PROGRAM IN LOW INCOME COUNTRIES ("SREP") MULTI-DONOR TRUST FUND

GRANT AGREEMENT

AGREEMENT dated November 24, 2014, entered into between NEPAL ("Recipient"); and the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("World Bank"), acting as an implementing agency of the Scaling Up Renewable Energy Program in Low Income Countries ("SREP") under the Strategic Climate Fund, which will support the objectives of the National Rural and Renewable Energy Program ("NRREP").

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 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 through AEPC 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 seven million nine hundred thousand United States Dollars ($7,900,000) ("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 donors 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 its Joint Secretary, Ministry of Finance.

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

    Ministry of Finance  
    Government of Nepal  
    Singha Durbar  
    Kathmandu, Nepal

    Facsimile:

    (977-1) 4211-164

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 Kathmandu, Nepal, as of the day and year first above written.

NEPAL

By

Authorized Representative

Name: Suman Prasad Sharma
Title: Finance Secretary

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

acting as an Implementing Agency of the Scaling Up Renewable Energy Program in Low Income Countries ("SREP") Multi-donor Trust Fund under the Strategic Climate Fund

By

Authorized Representative

Name: Takuya Komata
Title: Country Manager
SCHEDULE 1

Project Description

The objective of the Project is to promote large off-grid biogas energy generation in Nepal.

The Project consists of the following parts:

Part 1: Technical Assistance

(a) Identification and Pre-Feasibility Studies

(i) Launch of online web portal to process applications for financing of large biogas energy generation sub-projects;

(ii) Carrying out Pre-Feasibility Studies and short listing of applications.

(b) Detailed Feasibility Studies

Carrying out of Detailed Feasibility Studies of Short-listed Sub-projects, including review of market research, business plans and environmental and social safeguards requirements, and designation of Selected Sub-projects for further support under the Project.

(c) Post Construction Third Party Verification

Verification of completion and operation of Selected Sub-projects financed under Part 2 of the Project.

Part 2: Financing of Investments

Provision of Subsidy Payments on behalf of Selected Beneficiaries for the partial financing of Selected Sub-projects for biogas energy generation from waste.
SCHEDULE 2 - Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements

1. To facilitate the carrying out of the Project, the Recipient shall cause AEPC throughout the period of Project implementation to be responsible for Project coordination, implementation, and monitoring and evaluation, as well as administrative, financial management, procurement and disbursements under the Project, including ensuring compliance with safeguard measures and procedures, and carrying out the regular reports under the Project.

2. The Recipient shall establish and thereafter maintain for the duration of the Project, a Technical Review Committee with representation and terms of reference acceptable to the World Bank, to evaluate sub-projects for the purposes of determining their eligibility for further support under the Project.

B. Implementation Arrangements

The Recipient shall carry out the Project, through AEPC, in accordance with the Project Operational Manual. Except as the World Bank may otherwise agree in writing, the Recipient shall not amend or waive any provision of the Project Operational Manual. In the event of a conflict between the provisions of the Project Operational Manual and those of this Agreement, the provisions of this Agreement shall prevail.

C. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

D. Biogas Sub-projects and Subsidy Payments

1. The Recipient shall ensure that Biogas Sub-projects are appraised and approved on the basis of the eligibility criteria and in accordance with the procedures and terms and conditions set out in this Agreement and the Project Operational Manual, including the following:

(a) Interested developers shall submit proposals on the online web portal as described in Part I(a) of the Project.

(b) Interested developers shall commission a Prequalified Consultant to perform a Pre-Feasibility Study to ascertain the technical and commercially viability of the proposal and to carry out a safeguards screening. As part of the Pre-Feasibility Study, the Prequalified
Consultant shall specify the measures and documents that would be required in order for the proposed sub-project to comply with the Safeguards Instruments.

(c) Based on the recommendations of the Prequalified Consultants, the Technical Review Committee shall shortlist viable proposals.

(d) Each Beneficiary with a Short-listed Sub-project shall commission a Prequalified Consultant to be supported by other consultants, if required, who shall have qualifications and terms of reference acceptable to the World Bank to perform a Detailed Feasibility Study of the Short-listed Sub-project, to ascertain its viability, marketability and its compliance with the Safeguards Instruments. The total cost of the consultant: (i) shall not exceed the amount of $20,000 with $10,000 being contribution from Beneficiaries; and (ii) may be financed up to 50% out of the proceeds of the Grant.

(e) The Technical Review Committee shall select Short-listed Sub-projects for further support under the Project through the provision of Subsidy Payments taking into account the recommendations of the Detailed Feasibility Study and in accordance with the criteria set out in the Project Operational Manual, provided that Short-listed Sub-projects whose cost is projected to be $100,000 equivalent or over or whose size is projected to be 100 cubic meters or over, shall not be approved by the Technical Review Committee until they have been reviewed and approved in writing by the World Bank.

(f) Upon selection of a Short-listed Sub-project for further support under the Project as provided for in the preceding paragraph, the Technical Review Committee shall determine the Reimbursable Amount of the Subsidy Payment for such Selected Sub-project in accordance with the formula agreed with the World Bank, as set out in the Project Operational Manual and the Recipient’s Subsidy Policy.

(g) The Recipient shall make Subsidy Payments to Beneficiaries of Selected Sub-projects out of its own resources and withdraw the Reimbursable Amount of the Subsidy Payment for a Selected Sub-project from the Grant Account upon completion of the Selected Sub-project, as provided for in Paragraph 4 below.

2. The Recipient shall make each Subsidy Payment under a subsidy agreement with the respective Beneficiary as per the Recipient’s Subsidy Policy and Subsidy Delivery Mechanism, which shall include the following:
(a) that the Subsidy Payment shall be made as a one-time subsidy payable in installments as set forth in the subsidy agreement and in accordance with the Project Operational Manual and provided on non-refundable grant terms;

(b) that 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 Subsidy Payment, or obtain a refund by AEPC of all or any part of the amount of the Subsidy Payment then withdrawn, upon the Beneficiary’s failure to perform any of its obligations under the subsidy agreement; and

(ii) require each Beneficiary to:

(A) carry out its Selected Sub-project 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 the provisions of the Safeguards Instruments and the Anti-Corruption Guidelines;

(B) provide, promptly as needed, the resources required for the purpose;

(C) procure the goods, works and services to be financed out of the Sub-financing in accordance with the provisions of this Agreement;

(D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the World Bank, the progress of the Sub-project and the achievement of its objectives;

(E) (1) maintain financial records acceptable to the World Bank, adequate to reflect the expenditures related to the Sub-project; and (2) at the World Bank’s or the Recipient’s request, have such financial records audited by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank, and promptly furnish the records as so audited to the Recipient and the World Bank;
(F) enable the Recipient and the World Bank to inspect the Sub-project, its operation and any relevant records and documents; and

(G) 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.

3. The Recipient shall exercise its rights under each subsidy agreement in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive any subsidy agreement or any of its provisions.

4. The Recipient may withdraw the Reimbursable Amount of the Subsidy Payment for a Selected Sub-project from the proceeds of the Grant upon verification by an Independent Verification Specialist that:

   (i) the sub-project was short-listed and selected in accordance with the eligibility criteria and on the terms, conditions and procedures set out in the Project Operational Manual and this Part D;

   (ii) a Subsidy Payment was paid to a Beneficiary for a Selected Sub-project in accordance with the terms and conditions set out in Paragraphs 1 and 2 of this Part D;

   (iii) the Selected Sub-project was carried out in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the World Bank, including in accordance with the provisions of the Safeguards Instruments and the Anti-Corruption Guidelines; and

   (iv) the Selected Sub-project has been completed, and is operational and producing energy (thermal or electrical or both) as intended.

E. Safeguards

1. The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Safeguards Instruments, and, except as the World Bank shall otherwise agree in writing, the Recipient shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, any of the aforementioned, or any provision of any one thereof. In the event of a conflict between the provisions of the Safeguards Instruments and those of this Agreement, the provisions of this Agreement shall prevail.
2. Wherever required pursuant to the terms of the Environmental Management Framework or the Social Management Framework on account of a Project activity or Selected Sub-project, the Recipient shall, for the purposes of Project implementation, and prior to the commencement of such activity or Selected Sub-project, cause the Beneficiary to have an Environmental Management Plan, Resettlement Action Plan, or Vulnerable Community Development Plan, as the case may be:

(a) prepared in form and substance satisfactory to the World Bank;

(b) except as otherwise agreed with the World Bank in writing, submitted to the World Bank for review and approval; and

(c) thereafter, adopted and locally disclosed.

3. The Recipient shall ensure, or cause the Beneficiary to ensure, that each contract required for the Project or a Sub-project and to be financed out of the proceeds of the Grant shall include the obligation of the relevant contractor to implement, monitor and evaluate the relevant Safeguards Instruments.

4. The Recipient shall be responsible, through AEPC, for ensuring: the preparation of all required Environmental Management Plans, Resettlement Action Plans and Vulnerable Community Development Plans; the implementation, monitoring and evaluation, of the Safeguards Instruments.

5. Without limitation to the provisions of Section II, Part A.1 of this Schedule 2, the Recipient shall take all measures necessary on its part to regularly collect, compile, and submit to the World Bank, as part of the Project Reports, information on the status of compliance with the Safeguards Instruments, giving details of:

(a) the measures taken in furtherance of the Safeguards Instruments;

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

(c) remedial measures taken or required to be taken to address such conditions.

F. Donor Visibility and Visits

1. The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donor's support for the Project.
2. For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank’s request, enable the representatives of the Donors to visit any part of the Recipient’s territory for purposes related to the Project.

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 (1) Fiscal Year trimester, 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.

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 (6) months after the Closing Date. In order to assist the Recipient in preparing the Completion Report, the Recipient shall employ consultants in accordance with the provisions of Section III of this Schedule.

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. Without limitation upon the foregoing, the Recipient shall:

(a) by no later than two (2) months after signing of this Agreement, recruit a dedicated financial management consultant for the Project in accordance with the provisions of Section III of this Schedule 2.

(b) by September 30, 2014 set up, and thereafter maintain for the duration of the Project, a mechanism, satisfactory to the World Bank, for monitoring and verification of usage of the proceeds of the Grant.


2. The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank as part of the Project Report not later than forty-five (45) days after the end of each Fiscal Year trimester, covering the Fiscal Year trimester, 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 such audit of the Financial Statements shall cover the period of one (1) fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. Procurement and Consultant Guidelines. 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 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 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 Non-consulting Services. The following methods, other than International Competitive Bidding, may be used for procurement of non-consulting services for those contracts specified in the
Procurement Plan: (a) National Competitive Bidding, subject to the additional provisions set out in the table below; (b) Shopping; (c) Direct Contracting; and (d) Well-established Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the World Bank.

The following additional procedures shall apply to goods procured on the basis of National Competitive Bidding:

1. Only the model bidding documents for National Competitive Bidding agreed with the Association (as amended from time to time), including qualification criteria shall be used;
2. Bid documents shall be made available, by mail or in person, to all who are willing to pay the required fee;
3. Foreign bidders shall not be precluded from bidding and no preference of any kind shall be given to national bidders;
4. Bids shall be opened in public in one place, immediately after the deadline for submission of bids;
5. Qualification criteria (in case pre-qualifications were not carried out) shall be stated in the bidding documents, and if a registration process is required, a foreign firm declared as the lowest evaluated bidder shall be given a reasonable opportunity of registering, without let or hindrance;
6. Evaluation of bids shall be made in strict adherence to the criteria disclosed in the bidding documents, in a format and specified period agreed with the Association and contracts shall be awarded to the lowest evaluated bidders;
7. Rebidding shall not be carried out without the prior concurrence of the Association;
8. Extension of bid validity shall not be allowed without the prior concurrence of the Association (A) for the first request for extension if it is longer than four (4) weeks and (B) for all subsequent requests for extension irrespective of the period; and
9. There shall not be any restrictions on the means of delivery of the bids.

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) Well-established Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the World Bank; (g) Selection of Individual Consultants; and (h) 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) Non-consulting services, consultants' services and Training under Parts 1(a)(i), 1 (c) and 2 of the Project</td>
<td>750,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Consultants' services under</td>
<td>150,000</td>
<td>50%</td>
</tr>
</tbody>
</table>
### Part 1(b) of the Project

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>(3) Incremental Operating Costs</td>
<td>100,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Reimbursable Amount of Subsidy Payments under Part 2 of the Project</td>
<td>6,900,000</td>
<td>100% of amount disbursed</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>7,900,000</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:

   (a) for payments made prior to the date of the signing of this Agreement; or

   (b) under Category (4) on account of a Selected Sub-project unless and until an Independent Verification Specialist has verified the conditions specified in Section 1.D.4 of this Schedule 2 with respect to such sub-project.

2. The Closing Date referred to in Section 3.06(c) of the Standard Conditions is December 31, 2019.

### C. Other Undertakings

The Recipient shall ensure that the total Reimbursable Amount of Subsidy Payments for each Selected Sub-Project is limited to the lesser of twenty percent (20%) of the Approved Sub-Project Cost or twenty percent (20%) of the actual expenses of the Selected Sub-Project; provided, however, that in no event shall the total of such Reimbursable Amount exceed the actual Subsidy Payment paid by AEPC.
Appendix

Definitions

1. “AEPC” means the Alternative Energy Promotion Center, an institution of the Recipient with autonomous status under the purview of MoSTE, established on 3 November, 1996 under the Development Board Act, with the objective of developing and promoting renewable/alternative energy technologies in Nepal.

2. “Affected Persons” means persons who, on account of implementation of the Project, have experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such persons must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person.


4. “Approved Sub-Project Cost” means the cost of a Selected Sub-Project approved by the World Bank in accordance with the formula set forth in the Project Operational Manual; said cost shall include the cost of: (a) the biogas plant, related machinery and associated civil works used for the preprocessing and/or pretreatment of waste, a anaerobic digester (biogas plant), a biogas storage and/or biogas scrubbing unit, a biogas utilization system (i.e. engine generator set for electricity generation and/or biogas distribution network and burners if gas used for household cooking and/or for supply line and burners if used for other thermal applications), a digested slurry processing unit (such as composting) and a unit/system used for post treatment of effluent from the biogas plant to meet the standards for discharging on land and/or water bodies, if any, and (b) the cost of the mitigation measures required by the Environmental Management Framework and/or the Social Management Framework, and each plan required thereunder as applicable; provided however, that the following items are excluded from the Approved Project Cost: (a) the cost of the procurement of land required for setting up the Selected Sub-Project including land development cost, office building, fencing and/or boundary wall, development cost working capital required for operation of the biogas plant (including its operation and maintenance cost), Selected Sub-Project pre-operative expenses and other such related costs; and (b) the cost of the acquisition of technology (i.e. patent, right to sell) if any for the technology not used in the territory of the Recipient; as such Approved Project Cost may be revised from time to time with the prior written approval of the World Bank.
5. "Beneficiary" means a developer whose sub-project has been shortlisted as provided for in Schedule 2, Section I Part D.1 (c) of this Agreement, or has been selected as provided for in Schedule 2, Section I Part D.1(c) of this Agreement to receive support under the Project.

6. "Biogas Sub-project" means a specific biogas (i.e. >12m3) energy generation project carried out or to be carried out by a Selected Beneficiary which meets the criteria set out in the Operations Manual for receiving a Subsidy under Part 2 of the Project.

7. "Detailed Feasibility Study" means the study to be carried out by the Beneficiary with the support at minimum of a Pre-qualified Consultant to ascertain the technical, commercial, financial and social and environmental feasibility of his/her Short-listed Sub-Project before final financing funding is sought.

8. "Environmental Management Framework" mean the Recipient’s framework, publically disclosed in the territory of the Recipient on December 13, 2013, and in the World Bank’s Infoshop on December 16, 2013, acceptable to the World Bank, for undertaking environmental analysis and developing mitigation measures for all Project activities, and providing, among other things, for: (a) the institutional arrangements for implementation of environmental safeguards in the carrying out of the Project and Biogas Sub-projects; (b) details of potential environmental issues that may arise under the proposed Biogas Sub-projects and the necessary background for environmental considerations to be built into the design of the Biogas Sub-projects; (c) guidelines for the conservation of natural habitats and mitigation of potential adverse impacts on natural habitats; (d) guidelines for the management, conservation, and sustainable development of forest ecosystems and their associated resources and mitigation of conversion or degradation of natural forests or related natural habitats; (e) guidelines for the protection of physical cultural resources through inclusion of chance find procedures, (f) detailed guidelines on when and how to prepare Environmental Management Plans; (g) measures to monitor and report upon activities for environmental impacts, and, if necessary, to assist in mitigation of such impacts.

9. "Environmental Management Plan" means a plan to be prepared by the Recipient in accordance with the Environmental Management Framework and as provided for in Schedule 2, Section E, Paragraph 2 to this Agreement, setting forth the specific actions, measures and policies designed to maximize the benefits of the Project, as well as eliminate, offset or mitigate any adverse environmental impacts, or reduce such impacts to acceptable levels, along with administrative and monitoring arrangements to ensure the implementation of said actions, measures and policies, as said EMP may be revised from time to time with the prior written agreement of the World Bank, and such term includes any annexes or schedules to such plan.
“Financial Management Manual” means the Recipient’s manual, acceptable to the World Bank, setting out the financial management arrangements for Selected Sub-projects and other activities under the Project, as such manual may be revised from time to time with the prior written approval of the World Bank, including in accordance with paragraph 2 of Section II.B of Schedule 2 to this Agreement.

“Incremental Operating Costs” means the reasonable operating costs incremental to the Project, incurred on account of its implementation, for consumables, vehicle rental/leasing, equipment maintenance and repair, domestic travel, including travel to Project sites and travel related costs, communication, commercial bank changes, advertising, but excluding the salaries and benefits of the Recipient’s staff.

“Independent Verification Specialist” means a specialist selected in accordance with the provisions of Schedule 2, Section III of this Agreement to verify the selection, construction and operation of a biogas sub-project as provided for in Schedule 2, Section I, Part D of this Agreement.

“MoSTE” means the Recipient’s Ministry of Science, Technology and Environment, or any successor thereto.

“Pre-Feasibility Study” means the study to be carried out by an interested developer with the support of a Prequalified Consultant to ascertain the commercial viability of his/her proposal referred to in Section I.D.1(a) of Schedule 2 of this Agreement.

“Prequalified Consultant” means a consultant who has been prequalified under procedures acceptable to the World Bank to provide services under the Project.

“Procurement Plan” means the Recipient’s procurement plan for the Project, dated June 6, 2014, as the same shall be updated from time to time.

“Project Operational Manual” means the Recipient’s manual, dated June 6, 2014, in form and substance satisfactory to the World Bank, which sets forth, inter alia, (a) a description of the institutional arrangements related to the Project; (b) the administrative and financial procedures, related to the Project, including accounting, financial reporting and auditing procedures; (c) the procedures for procurement, disbursement, supervision, monitoring and impact evaluation in respect of the Project; (d) the eligibility criteria and the procedures and standards for the shortlisting and selection of biogas energy generation sub-projects; and (e) the terms and conditions of Subsidy Payments, and any annexes or schedules to such manual, (f) detailed procedures for keeping record and disclosing documentation related to submitted proposals and Selected Sub-projects; and
(g) the formula for calculating the Approved Project Cost; as such manual may be revised from time to time with the prior written approval of the World Bank.

18. “Recipient’s Subsidy Policy and Subsidy Delivery Mechanism” means the Recipient’s subsidy policy and subsidy delivery mechanism for large biogas plants contained in the Recipient’s Subsidy Policy for Renewable Energy, 2013, and the Recipient’s Delivery Mechanism, 2013, respectively, which may be updated from time to time.

19. “Reimbursable Amount of the Subsidy Payment” means the amount determined when a sub-project is selected as being the amount of the Subsidy Payment that will be reimbursed out of the proceeds of the Grant as provided for in Schedule 2, Section 1 Part D.1 (g) of this Agreement.

20. “Resettlement Action Plan” or “RAP” means a plan to be prepared by the Recipient in accordance with the Social Management Framework and as provided for in Schedule 2, Section E, Paragraph 2 to this Agreement setting forth principles and procedures governing the acquisition of land and related assets, and the compensation, resettlement, and rehabilitation of Affected Persons in accordance with the guidelines and procedures set forth in the Social Management Framework, as said plan may be revised from time to time with the prior written agreement of the World Bank, and such term includes any annexes or schedules to such plan.

21. “Safeguards Instruments” means, collectively, the Environmental Management Framework and any Environmental Management Plans prepared thereunder, the Social Management Framework, and any Resettlement Action Plans or Vulnerable Community Development Plans prepared thereunder, and such term includes any annexes or schedules to such instruments.

22. “Selected Beneficiaries” means developers whose proposals have been selected in accordance with the criteria and procedures set out in the Project Operational Manual for financing under the Project.

23. “Selected Sub-projects” means Biogas Sub-projects that meet the criteria for support under the Project and have been selected for financing in accordance with Schedule 2, Section I, Part D.(f) of this Agreement.

24. “Short-listed Sub-projects” means activities that have been short-listed in accordance with the procedures set forth in the Project Operational Manual.

25. “Social Management Framework” means the Recipient’s framework, publically disclosed in the territory of the Recipient on December 13, 2013, and in the World Bank’s Infoshop on December 16, 2013, acceptable to the World Bank, which includes, among other things, a vulnerable community development
framework, a resettlement and rehabilitation policy framework, and frameworks for gender development and community consultation and disclosure, and which sets out policies, procedures and guidance for undertaking social analysis and developing mitigation measures for all Project activities, including: (a) the institutional arrangements for implementation of social safeguards in the carrying out of the Project and Biogas Sub-projects; (b) guidelines and procedures for social safeguard screening and impact assessment, including guidelines and procedures for stakeholder consultation and participation; (c) without limitation to the foregoing, a framework for ensuring free, prior, and informed consultation with affected indigenous peoples' and other vulnerable communities at each stage of Project and Sub-project preparation and implementation; (d) institutional arrangements (including capacity building where necessary) for screening Project-supported programs and activities, evaluating their effects on indigenous and other vulnerable peoples, and preparing appropriate plans for dealing with any arising issues and addressing any grievances (Vulnerable Community Development Plans); (e) disclosure arrangements for any Vulnerable Community Development Plans prepared under the Social Management Framework; (f) land acquisition and resettlement principles and objectives, and design criteria to be applied to any resettlement required under a Sub-project or other Project activity; (g) a compensation/entitlement matrix developed to compensate any Affected Persons; (h) detailed guidelines on when and how to prepare Resettlement Action Plans; (i) measures to monitor and report upon Project activities for social impacts, and, if necessary, to assist in mitigation of such impacts; and (j) a grievance redress mechanism.

26. “Subsidy Payment” means a payment made or to be made by the Recipient on behalf of a Beneficiary for the financing of part of the cost of the goods and services required for the carrying out of a Selected Sub-project in accordance with terms and conditions of the Subsidy Agreement.

27. “Technical Review Committee” means the committee to be established and maintained by the Recipient as provided for in Schedule 2, Section I, Part A.2 of this Agreement for the purposes of reviewing Short-listed Sub-projects for the purposes of determining their eligibility for further support under the Project.

28. “Training” means the reasonable costs of goods and services required for the participation of personnel involved in training activities and workshops under the Project carried out inside the Recipient's territory, including travel and subsistence costs for training and workshop participants, costs associated with securing the services of trainers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training course or workshop preparation and implementation, but excluding consultants' fees.
29. "Vulnerable Community Development Plan" means a plan to be prepared by the Recipient in accordance with the Social Management Framework and as provided for in Schedule 2, Section E, Paragraph 2 to this Agreement setting forth principles and procedures governing the treatment of vulnerable communities in accordance with the guidelines and procedures set forth in the Social Management Framework, as said plan may be revised from time to time with the prior written agreement of the World Bank, and such term includes any annexes or schedules to such plan.