Ozone Projects Trust Fund
Grant Agreement

(HCFC Phase Out Project)

between

KINGDOM OF THAILAND

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
acting as an Implementing Agency of the Multilateral Fund and Trustee of the
Ozone Projects Trust Fund

Dated November 13, 2014
AGREEMENT dated November 13, 2014, entered into between:

KINGDOM OF THAILAND ("Recipient"); and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("World Bank"), acting as trustee of grant funds provided by Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer into the Ozone Projects Trust Fund ("OTF").

WHEREAS: (A) The Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer to the Vienna Convention for the Protection of the Ozone Layer ("Montreal Protocol") have established the Multilateral Fund for the Implementation of the Montreal Protocol ("Multilateral Fund") to operate under the authority of said Parties to provide the financing of agreed incremental costs to enable the Parties operating under paragraph 1 of Article 5 of the Montreal Protocol to comply with control measures provided for in the Montreal Protocol;

WHEREAS: (B) The Executive Committee of the Multilateral Fund (the "Executive Committee") and the World Bank have entered into an agreement effective on July 9, 1991, pursuant to which the Executive Committee has agreed to provide funds to the OTF to be administered by the World Bank as an implementing agency of the Multilateral Fund and as trustee in accordance with the provisions of said agreement and the Resolution;

WHEREAS: (C) The Recipient, having satisfied itself as to the feasibility and priority of the project described in Schedule 1 to this Agreement, has requested assistance from the resources of the OTF in the financing of the Project, and the World Bank has determined that such assistance would be in accordance with the provisions of the decisions of the Executive Committee; and

WHEREAS: (D) The World Bank has agreed, on the basis, inter alia, of the foregoing, to extend a grant to the Recipient upon the terms and conditions set forth in this Agreement.

NOW THEREFORE the Recipient and the World Bank hereby agree as follows:
Article I
Standard Conditions; Definitions

1.01. The Standard Conditions for grants made by the World Bank out of various funds, dated February 15, 2012 ("Standard Conditions"), constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement.

Article II
The Project

2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement ("Project"). To this end, the Recipient shall carry out Parts 2.A., 2.B, 2.C, 3.A., and 3.B. of the Project through the Department of Industrial Works ("DIW") and Part 4 of the Project through the National Ozone Unit ("NOU") and cause Parts 1, 2.D., 2.E. and 3.C. of the Project to be carried out by the Government Savings Bank ("GSB") in accordance with the provisions of Article II of the Standard Conditions and with the Montreal Protocol.

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 Twenty Three Million and Nine Hundred and Eighteen Thousand Seven Hundred and Seven United States Dollars ($ 23,918,707) ("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 Multilateral 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 treasurer of the Multilateral Fund on the basis of instructions of the Executive Committee, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

Article IV
Additional Remedies

4.01. The Additional Events of Suspension referred to in Section 4.02 (k) of the Standard Conditions consist of the following:

(a) Any party to a Subsidiary Agreement has failed to perform any of their respective obligations under the Subsidiary Agreement.

(b) The GSB’s Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely, in the opinion of the World Bank, the ability of GSB to perform any of its obligations under the Subsidiary Agreement.

(c) IBRD or IDA has declared GSB ineligible to receive proceeds of any financing made by IBRD or IDA, or otherwise to participate in the preparation or implementation of any project financed in whole or in part by IBRD or IDA (including as administrator of funds provided by another financier), as a result of: (i) a determination by IBRD or IDA that GSB has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by IBRD or IDA; and/or (ii) a declaration by another financier that GSB is ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that GSB has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.

(d) Any party to a Sub-grant Agreement has failed to perform any of their respective obligations under said Sub-grant Agreement.

(e) IBRD or IDA has declared a Beneficiary Enterprise ineligible to receive proceeds of any financing made by IBRD or IDA, or otherwise to participate in the preparation or implementation of any project financed in whole or in part by IBRD or IDA (including as administrator of funds
provided by another financier), as a result of: (i) a determination by IBRD or IDA that a Beneficiary Enterprise has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by IBRD or IDA; and/or (ii) a declaration by another financier that Beneficiary Enterprise is ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that Beneficiary Enterprise has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.

Article V
Recipient's Representative; Addresses

5.01. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is the Minister of Finance.

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

Public Debt Management Office
Ministry of Finance
Rama VI Road, Phayathai,
Bangkok 10400 THAILAND
Tel: +662 265 8050
Fax: +662 273-9167

5.03. 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 November 19, 2014, as of the day and year first above written.

KINGDOM OF THAILAND

By

Authorized Representative

Name: Mr. Kritsda Udyanin
Title: Director - General
Public Debt Management Office

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
acting as an Implementing Agency of the Multilateral Fund and Trustee of the Ozone Projects Trust Fund

By

Authorized Representative

Name: Mr. Ulrich Zachau
Title: Country Director - Thailand
SCHEDULE 1
Project Description

The objective of the Project is to reduce HCFC consumption in the air-conditioning and foam sectors in order to contribute to Thailand’s efforts to meet its HCFC consumption phase-out obligations under the first phase of the program (2014-2018).

The Project consists of the following parts:

Part 1: Investment in HCFC Consumption Reduction

A. Provision of Sub-grants to Beneficiary Enterprises in the foam sector to carry out HCFC consumption reduction subprojects.

B. Carry out demonstration subprojects to perform in-house tests of new non-HCFC-141b foam systems.

C. Provision of Sub-grants to Beneficiary Enterprises in the air-conditioning sector to carry out HCFC consumption reduction subprojects.

D. Provision of Sub-grants to Beneficiary Enterprises for the development of non-ozone depleting substances compressors for refrigeration and air-conditioning equipment.

Part 2: Technical Assistance

A. Provision of technical assistance to support HCFC-22 phase-out in the air-conditioning sector through, inter alia, technical workshops on climate friendly refrigerants for large and small AC systems.

B. Development and provision of train-the-trainer programs on good servicing practice for HFC-32 air-conditioning units and inclusion of said programs in the curricula of training institutes in the territory of the Recipient.

C. Carry out of public awareness programs to promote energy efficiency and low global warming potential technology in the air-conditioning and foam sectors.

D. Provision of technical assistance to air-conditioning manufacturers to convert their production facilities to HFC-32 technology and to develop proper installation and servicing procedures.

E. Provision of technical assistance to support HCFC-141b phase-out in the foam sector through, inter alia, marketing of non-HCFC-141b formulation by foam system houses and introduction of the use of non-HCFC-141b formulations by micro enterprises.
Part 3: Project Management

A. Provision of technical assistance to the DIW-PMU for managing, supervising, monitoring and reporting on the implementation of Parts 2.A., 2.B. and 2.C of the Project.

B. Provision of technical assistance to the DIW-PMU for the development of sector-specific regulations and policy, such as, *inter alia*, rules governing HCFC imports and exports and a ban on the use of HCFC in the air-conditioning and foam manufacturing sectors.

C. Provision of technical assistance to the GSB-PMU for managing, supervising, monitoring and reporting on the implementation of Parts 1, 2.D. and 2.E. of the Project.

Part 4: Institutional Strengthening (NOU)

Provision of technical assistance to strengthen the capacity of the NOU to fulfill the obligations of the Recipient under the Montreal Protocol.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall:
   
   (a) maintain the DIW-PMU, throughout the period of implementation of the Project, with sufficient resources and staffed with competent personnel in adequate numbers, including a financial management specialist and technical specialists, all with qualifications, experience and terms of reference satisfactory to the World Bank.

   (b) carry out Parts 2.A., 2.B., 2.C., 3.A. and 3.B. of the Project through the DIW-PMU. The DIW-PMU shall be responsible for overall Project coordination, as well as for day-to-day implementation, including procurement and financial management, of Parts 2.A., Part 2.B., 2.C., 3.A. and 3.B. of the Project.

   (c) maintain the NOU, throughout the period of implementation of the Project, with sufficient resources and staffed with competent personnel in adequate numbers, all with qualifications, experience and terms of reference satisfactory to the World Bank.

   (d) carry out Part 4 of the Project through the NOU.

2. The Recipient shall:

   (a) cause GSB to maintain the GSB-PMU, throughout the period of implementation of the Project, with sufficient resources and staffed with competent personnel in adequate numbers, including a Project manager, a procurement specialist, a financial management specialist, and two technical specialists, all with qualifications, experience and terms of reference satisfactory to the World Bank.

   (b) cause GSB to carry out Parts 1, 2.D., 2.E and 3.C. of the Project through the GSB-PMU. The GSB-PMU shall be responsible for the day-to-day implementation, including financial management, of Parts 1, 2.D., 2.E. and 3.C. of the Project.
B. Project Implementation Manual

1. The Recipient shall, and shall cause GSB to adopt a Project Implementation Manual ("PIM") in form and substance satisfactory to the World Bank, which sets forth:

(a) institutional arrangements for the implementation of the Project, including a detailed description of the functions and responsibilities of the GSB-PMU, DIW-PMU and NOU in the implementation of the Project;

(b) eligibility criteria, and procedures for the review, appraisal and approval of Sub-grants to be financed out of the proceeds of the Grant;

(c) financial management rules and procedures (Project budgeting, disbursement and financial management);

(d) procurement arrangements and procedures;

(e) environmental, social, health and safety guidelines;

(f) monitoring and evaluation; and

(g) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project.

2. The Recipient shall carry out, and shall cause the GSB to carry out the Project in accordance with the provisions of the PIM. The Recipient shall not, and shall cause GSB not to, amend, abrogate or waive any provision of the PIM without the World Bank's prior written approval.

3. In case of conflict between the PIM and the provisions of this Agreement, the provisions of this Agreement shall prevail.

C. Subsidiary Agreement

For the purposes of carrying out Parts 1, 2.D., 2.E. and 3.C. of the Project, the Recipient, through the Ministry of Finance and DIW, shall:

1. enter into an agreement with GSB (the "Subsidiary Agreement"), satisfactory to the World Bank, including, inter alia, the following provisions:

(a) the obligation of the Recipient to promptly disburse to GSB the proceeds of the Grant and pay the GSB Agency Fee; and
the obligation of GSB to:

(i) carry out the Project in accordance with the provisions of this Agreement and those set forth in the PIM;
(ii) comply with the provisions of the Anti-Corruption Guidelines in connection with the carrying out of the Project;
(iii) to maintain the GSB-PMU, throughout the period of implementation of the Project, with sufficient resources and staffed with competent personnel in adequate numbers, including a Project manager, a procurement specialist, a financial management specialist, and two technical specialists, all with qualifications, experience and terms of reference satisfactory to the World Bank;
(iv) review, appraise and approve the Sub-grants in accordance with criteria and procedures acceptable to the World Bank, and as set forth in the PIM;
(v) exercise its rights and carry out its obligations 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 Grant; and except as the World Bank shall otherwise agree, not amend, waive or fail to enforce the Subsidiary Agreement, or any provisions thereof. In the event of any inconsistency between the provisions of the Subsidiary Agreement and the provisions of this Agreement, the provisions of this Agreement shall prevail.

D. Sub-grants

1. For the purposes of carrying out Part 1 of the Project, the Recipient shall cause GSB to make available Sub-grants to Beneficiary Enterprises under a Sub-grant Agreement, on terms and conditions satisfactory to the World Bank, and detailed in the PIM.

2. The Recipient shall cause GSB to take all measures necessary to ensure that, in making the Sub-grants available to Beneficiary Enterprises, GSB shall obtain rights adequate to protect the interests of the Recipient and those of the World Bank, including the right to:

(a) suspend or terminate the right of the Beneficiary Enterprise to use the proceeds of the Sub-grant, or obtain a refund of all or any part of the amount of the Sub-grant then withdrawn, upon the Beneficiary Enterprise' failure to perform any of its obligations under the Sub-grant Agreement; and,
(b) require each Beneficiary Enterprise to:

(i) carry out the HCFC phase-out sub-project for which the Sub-grant was given with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, standards and practices satisfactory to the Bank, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to the recipients of loan proceeds other than the Recipient;

(ii) provide, promptly as needed, the resources required for the purpose of the Sub-grant;

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

(iv) upon reasonable request, enable GSB, the Recipient and the World Bank to inspect the sub-project, its operation and any relevant records and documents; and,

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

3. In case of any conflict among the terms of the Sub-grant Agreement and this Agreement, the provisions of this Agreement shall prevail.

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. For the purposes of carrying out Part 1.A of the Project, the Recipient shall cause GSB to ensure that:

(a) each Beneficiary Enterprise prepares and implements an environmental management plan (“Foam Sector EMP”), in a manner satisfactory to the World Bank, in accordance with the EMF; and,

(b) a Beneficiary Enterprise shall not amend, abrogate, repeal, waive or fail to enforce the EMF or its Foam Sector EMP or any of their respective provisions without the prior written approval of the World Bank.
2. For the purposes of carrying out Part 1.C., the Recipient shall cause GSB to ensure that:

(a) each Beneficiary Enterprise carries out its respective subproject in accordance with its Environmental Management Plan for the Air-Conditioning Sector ("Air-Conditioning Sector EMP"), in a manner satisfactory to the World Bank; and,

(b) a Beneficiary Enterprise shall not amend, abrogate, repeal, waive or fail to enforce its Air-Conditioning Sector EMP or any of their respective provisions without the prior written approval of the World Bank.

3. In the event of any conflict between the provisions of the EMF, a Foam Sector EMP or an Air-Conditioning Sector EMP, as applicable, including any annexes and supplements thereto, and the provisions of this Agreement, the latter shall prevail.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators acceptable to the World Bank. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the World Bank not later than forty-five (45) days after the end of the period covered by such report.

(b) The Recipient shall work, through the GSB and DIW, with the World Bank to ensure the timely submission of documents which are required for reporting purposes to be submitted to the Executive Committee.

2. The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six months after the Closing Date. In order to assist the Recipient in preparing the Completion Report, the Recipient shall employ consultants whose qualifications, experience and terms of reference are acceptable to the World Bank 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. 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 calendar semester, covering the semester, in form and substance satisfactory to the World Bank.

3. The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one calendar year. 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:

(a) Section I of the “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (“Procurement Guidelines”) in the case of goods, and non-consulting services, and Sections I and IV of the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (“Consultant Guidelines”) in the case of consultants’ services; and

(b) the provisions of this Section III, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines (“Procurement Plan”).

2. Definitions. The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in Sections II
and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods, Works and Non-consulting Services

1. National 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 National Competitive Bidding for which the e-auction process cannot be applied and will be subject to the following additional procedures:

   (a) each bidding opportunity shall be advertised in the national circulation newspaper of the Recipient, and posted in the Recipient's e-procurement website. In addition, bidders should be given no less than thirty (30) days to prepare their bids;

   (b) foreign contractors from World Bank eligible member countries shall be allowed to participate in bidding for contracts under the project without being compelled to associate with local firms;

   (c) explicit bid evaluation criteria shall be clearly stated in the bidding documents;

   (d) foreign firms shall not be required prior registration, licensing and/or other governmental authorizations or approvals for the purposes of participating in bidding competitions;

   (e) the bid security of all bidders shall be kept by the Executing Agency and returned to the bidders; after awarding the contract to the successful bidder; or at the end of the bid validity period specified in the tender document;

   (f) the price escalation factor will not be applied to contracts whose duration is less than eighteen (18) months;

   (g) transport of imports for the contracts shall not be restricted to Thai vessels only;

   (h) the bid validity period shall not exceed one hundred and eighty (180) days; and,

   (i) a bidder shall not be required, as a condition of award, to modify the bid as originally submitted.
2. Other Methods of Procurement of Goods, Works and Non-consulting Services. The following methods, other than National Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) Shopping, (b) Well-established Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the World Bank; and (c) Direct Contracting.

C. Particular Methods of Procurement of Consultants' Services

1. Quality- and Cost-based Selection. Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

2. Other Methods of Procurement of Consultants' Services. The following methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants' services for those assignments which are specified in the Procurement Plan: (a) Least Cost Selection; (b) Selection based on Consultants' Qualifications; (c) Selection of Individual Consultants; (d) Single-source Selection of consulting firms; and (e) Single-source procedures for the Selection of Individual Consultants.

D. Review by the World Bank of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the World Bank's Prior Review. All other contracts shall be subject to Post Review by the World Bank.

Section IV. Withdrawal of Grant Proceeds

A. General

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant ("Category"), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:
<table>
<thead>
<tr>
<th>Disbursement Category</th>
<th>Amount of the OTF Grant (US$)</th>
<th>Financing Percentage (Inclusive of taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Sub-grants</td>
<td>21,045,614</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Consultant's Service, Goods, and Non-Consulting Services, Training, Workshops and Incremental Operating Costs under Parts 2.D., 2.E, 3.C. of the Project and GSB Agency Fee</td>
<td>1,073,757</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Consultant's Service, Goods, and Non-Consulting Services, Training, Workshops and Incremental Operating Costs under Part 4 of the Project</td>
<td>866,670</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>23,918,707</td>
<td>100%</td>
</tr>
</tbody>
</table>

(a) "Incremental Operating Costs" means the reasonable and incremental expenses incurred by the Recipient, on account of Project implementation, for the rental of vehicles and equipment, for fuel, office supplies and other consumables, equipment insurance, office rent, internet connection and communications costs, support for information systems, translation costs, bank charges, advertising expenses, utilities, and travel, transportation, per diem and accommodation costs (other than for Training), and other reasonable expenditures directly associated with implementation of Project activities.

(b) "Training" means expenditures (other than for consultants' services and non-consulting services), incurred during the implementation of the Project, for: (i) reasonable travel, room, board and per diem expenditures incurred by trainers and trainees in connection with their training; (ii) course fees; (iii) training/workshop facility and equipment rentals; and (iv) training material preparation, acquisition, reproduction and distribution expenses not otherwise covered under this paragraph.
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 this Agreement, except that withdrawals up to an aggregate amount not to exceed $4 million equivalent may be made for payments made prior to this date but on or after October 1, 2013, for Eligible Expenditures;

   (b) for expenditures under category 2 and 4, until DIW has appointed a financial management specialist, with terms of reference acceptable to the World Bank;

   (c) for expenditures under categories 1 and 3, until GSB has appointed a financial management specialist, with terms of reference acceptable to the World Bank.

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2018.

Section V. Other Undertakings

1. The Recipient, through DIW, shall, and shall cause GSB to, no later than six (6) months after the Effective Date, appoint independent auditors, with terms of reference acceptable to the World Bank.

2. The Recipient, through DIW, shall, and shall cause GSB to, no later than three (3) months after the Effective Date, put in place an accounting software system, with terms of reference acceptable to the World Bank.
APPENDIX

Section I. Definitions


2. "Beneficiary Enterprises" means collectively the enterprises that are selected in accordance with the criteria satisfactory to the World Bank to enter into a Sub-grant Agreement; and "Beneficiary Enterprise" means individually any such enterprise.

3. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.


5. "Department for Industrial Works" or "DIW" means the Recipient's Department of Industrial Works within the Recipient's Ministry of Industry or any successor thereto.

6. "DIW-PMU" means the Project Management Unit, to be established within the Recipient's DIW, in accordance with Section I.A.1. of Schedule 2 to this Agreement.

7. "Environmental Management Framework for the Foam Sector" or "EMF" means the Recipient's Environmental Management Framework for Part 1.A. of the Project, dated December 2013, consisting of the set of the principles, rules, guidelines and procedures to assess the potential environmental, health and safety impacts and mitigation, monitoring, and institutional measures to be taken to eliminate adverse said potential environmental, health and safety impacts, offset them, or reduce them to acceptable levels, as well as actions and budget needed to implement these measures and prepare site-specific environmental management plans.

8. "Environmental Management Plans for the Air-Conditioning Sector" or "Air-Conditioning Sector EMPs" mean each of the environmental management plans prepared by a Beneficiary Enterprise in the air-conditioning sector prior to carrying out Part 1.C of the Project; each such plan setting forth, inter alia, the assessment of potential environmental, health and safety impacts,
recommendations for mitigation of adverse impacts and enhancement of positive impacts based on such assessment, and the guidelines for environmental screening and monitoring of Project implementation, as each such plan may be amended from time to time with the prior written approval of the World Bank; and such term includes all attachments and annexes supplemental to each such Plan; and “Air-Conditioning Sector EMP” means any such plan individually.

9. “Environmental Management Plans for the Foam Sector” or “Foam Sector EMPs” mean the plan to be prepared by each relevant Beneficiary Enterprise in the foam sector prior to carrying out Part 1.A. of the Project, as required by the Environmental Management Framework; each such plan setting forth, inter alia, the assessment of potential environmental, health and safety impacts, recommendations for mitigation of adverse impacts and enhancement of positive impacts based on such assessment, and the guidelines for environmental screening and monitoring of Project implementation, as each such plan may be amended from time to time with the prior written approval of the World Bank; and such term includes all attachments and annexes supplemental to each such Plan; and “Foam Sector EMP” means any such plan individually.

10. “Executing Agency” means GSB or DIW.


12. “GSB Agency Fee” means a fee of two percent (2%) of each sub-grant agreement signed under Part 1 and of each contract signed under Part 2.D and 2.E of the Project.


14. “GSB-PMU” means the Project Management Unit to be established within GSB, in accordance to Section I.A.2. of Schedule 2 to this Agreement.

15. “HCF-32” means difluoromethane, a hydrofluorocarbon.


17. “HCFC-141b” means 1, 1-dichloro-1-fluoroethane, a hydrochlorofluorocarbon.

18. “HCFC-22” means chlorodifluoromethane, a hydrochlorofluorocarbon.

20. "NOU" means the Recipient’s National Ozone Unit, established with DIW.

21. "Project Implementation Manual", or the "PIM", means the Project Implementation Manual for the Project dated January 8, 2014 prepared and adopted by GSB and DIW, in accordance with Section I.B. of Schedule 2 to this Agreement.


23. "Procurement Plan” means the Recipient’s Procurement Plan for the Project, dated November 25, 2013 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

24. “Sub-grant” means a Sub-grant made available to a Beneficiary Enterprise, in accordance with Section D of Schedule 2 to this Agreement.

25. “Sub-grant Agreement” means the agreement to be entered into by GSB and a Beneficiary Enterprise for the purposes of making available a Sub-Grant, in accordance with Section D of Schedule 2 to this Agreement.

26. “Subsidiary Agreement” means the agreement to be entered into by the Recipient’s Ministry of Finance, GSB and the Recipient’s DIW, in accordance with Section I.C. of Schedule 2 to this Agreement.