Global Environment Facility
Grant Agreement

(Environmental Services Project)

between

REPUBLIC OF ALBANIA

and

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

Dated July 25, 2014
GLOBAL ENVIRONMENT FACILITY GRANT AGREEMENT

AGREEMENT dated July 25, 2014, entered into between the REPUBLIC OF ALBANIA (Recipient); and the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("World Bank"), acting as an implementing agency of the Global Environment Facility ("GEF").

The Recipient and the World Bank hereby agree as follows:

Article I
Standard Conditions; Definitions


1.02. 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 I to this Agreement ("Project"). To this end, the Recipient shall carry out the Project through MOE, with the assistance of ARDA, for purposes of Part 2 of the Project in accordance with the provisions of Article I 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 of two million eight hundred and eighty thousand United States Dollars ($2,880,000) ("Grant") to assist in financing Parts 1(a), 2(a) and 3 of 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**

**Additional Remedies**

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

(a) The Co-financing Agreement for the provision of co-financing ("Co-financing") for this Project has failed to become effective; or such later date or dates as the World Bank has established by notice to the Recipient; provided, however, that the provisions of this paragraph shall not apply if the Recipient establishes, to the satisfaction of the World Bank, that adequate funds for the Project are available from other sources on terms and conditions consistent with its obligations under this Agreement.

(b) (i) Subject to sub-paragraph (ii) of this paragraph: (A) the right to withdraw the proceeds of the Co-financing has been suspended, canceled or terminated in whole or in part, pursuant to the terms of the Co-financing Agreement; or (B) Co-financing has become due and payable prior to its agreed maturity;

(ii) Sub-paragraph (i) of this paragraph shall not apply if the Recipient establishes to the satisfaction of the World Bank that: (A) such suspension, cancellation, termination or pre-maturing was not caused by the failure of the Recipient to perform any of its obligations under the Co-financing Agreement; and (B) adequate funds for the Project are available from other sources on terms and conditions consistent with the Recipient’s obligations under this Agreement.

(c) The World Bank has determined after the Effective Date that prior to such date but after the date of this Agreement, an event has occurred which would have entitled the World Bank to suspend the Recipient’s right to make withdrawals from the Grant Account if this Agreement had been effective on the date such event occurred.
The Recipient has failed to perform any of its obligations under the loan agreement of same date as this agreement between the Recipient and the World Bank, providing for a loan to assist in the financing of a project of which this Project is a component ("IBRD Financing Agreement").

Article V
Effectiveness; Termination

5.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the conditions specified below have been satisfied:

(a) The Recipient has prepared and adopted a Project Operations Manual satisfactory to the World Bank.

(b) The Recipient has hired a procurement specialist and a financial management specialist with experience and under terms of reference satisfactory to the World Bank.

(c) The Co-financing Agreement has been duly authorized or ratified by all necessary governmental and corporate action.

(d) The IBRD Loan Agreement and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under the IBRD Loan Agreement (other than the effectiveness of this Agreement) have been fulfilled.

5.02. 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 VI
Recipient's Representative; Addresses

6.01. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its Minister for Finance.
6.02. The Recipient's Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Finance
No. 3 Bulvar “Deshmoret e Kombit”
Tirana, Albania

Facsimile:
355 42228494

6.03. 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: Telex: Facsimile:
INTBAFRAD 248423 (MCI) or 1-202-477-6391
Washington, D.C. 64145 (MCI)
AGREED at Tirana, Republic of Albania, as of the day and year first above written.

REPUBLIC OF ALBANIA

By

[Signature]

Authorized Representative

Name: [Signature]

Title: MINISTER OF FINANCE

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

By

[Signature]

Authorized Representative

Name: [Signature]

Title: COUNTRY MANAGER
SCHEDULE 1

Project Description

The objective of the Project is to support sustainable land management practices and increase communities' monetary and non-monetary benefits, in targeted Project areas which are mainly in erosion prone rural upland areas.

The Project consists of the following parts:

Part 1: Strengthening Institutional Capacity to Improve Environmental Services from Integrated Landscape Management

(a) Strengthening the Recipient's capacity for governance of forests and pastures including:

(i) preparing a change detection National Forest Inventory to provide information on how forest cover and volume have changed over an agreed intervening period;

(ii) developing a ten year rolling National Forest Inventory whereby plots sampled for forest cover and volume are examined on annual basis for a duration of ten years;

(iii) supporting forest management planning in the state managed production forests excluding the protected areas;

(iv) establishing the Albanian Forest Information System;

(v) strengthening the capacity of the Regional Forest Directorate to carry out its obligations including the independent monitoring of the forests; and

(vi) registering forests and pastures transferred by the central government to the communes.

(b) Carrying out activities to empower beneficiaries including Local Government Units (LGUs), CFPUAs and farmers to practice sustainable land and pasture management practices including:

(i) implementing the Gender Action Plan to promote gender equity in natural resource management;

(ii) supporting LAGs to contribute to the rural development strategy;
(iii) training LGUs and CFPUAs on sustainable use of forests, pastures and agricultural lands; and;

(iv) promoting rural income generation through analysis of value chains and preparation of short and medium-term forest products processing and marketing plans.

Part 2. Planning and Provision of Grants to Improve Land Management

(a) Carrying out activities to prepare and implement CMCPs to improve land management, including:

(i) developing guidelines for the preparation of CMCPs to promote integrated use of natural resources;

(ii) preparing CMCPs for new communes; and

(iii) upgrading existing CFPMPs which will expire during the life of the Project into the more comprehensive CMCPs.

(b) Providing Grants to eligible Beneficiaries to carry out Subprojects.

(c) Strengthening the capacity of staff for the Regional Forest Directorates, District Forest Office, ARDA and bodies involved in the agricultural and forests extension services, as well as applicants, to carry out their responsibilities under the Project.

Part 3: Introducing Payment for Environmental Services

Establishing financing mechanisms for reducing land degradation and supporting sustainable livelihoods including:

(a) preparing technical studies for the development of carbon projects and establishing monitoring, reporting and verification systems to quantify carbon sequestered by Project activities;

(b) developing mechanisms for Payment for Watershed Services to ensure that those who benefit from environmental services pay those who generate these services; and a model for linking land use practices with the generation of ecosystem services; and

(c) piloting the Payment for Watershed Services mechanism in selected areas.
Part 4: Supporting Project Implementation

(a) Carrying out activities for Project implementation, including supplying of office equipment, building staff capacity, and the implementation of the environmental safeguards.

(b) Supplying and installing a Project monitoring information system to promote effective tracking of project activities, carrying out surveys, conducting environmental audits and monitoring and evaluation.
SCHEDULE 2

Project Execution

Section I. Institutional and Implementation Arrangements

A. Institutional Arrangements

1. Project Management Team

   The Recipient shall implement the Project, through MOE, and not later than September 30, 2014, establish within MOE and thereafter, operate and maintain at all times during the implementation of the Project, a Project Management Team including a Project coordinator, with functions and responsibilities acceptable to the Bank, including ensuring prompt and efficient overall coordination, day-to-day implementation of, and communication relating to Project activities and results.

2. Project Steering Committee

   (a) The Recipient shall, not later than September 30, 2014, establish and thereafter maintain at all times during the implementation of the Project, a Project Steering Committee (PSC) with composition, mandate, and terms of reference satisfactory to the Bank.

   (b) Without limitation upon the generality of the foregoing, the PSC shall be chaired by MOE and include the Project Director and representatives of MOE, MARDWA Managing Authority, NEA, IPRO, ARDA, MOF, Department of Development Programming, Financing and Foreign Aid, Council of Ministers, one mayor of a commune and the National Federation of FPUAs.

   (c) The Recipient shall cause the PSC to meet at least biannually and shall be responsible for providing Project implementation oversight, including, inter alia: (i) providing strategic and policy guidance; (ii) facilitating coordination of Project activities, and making recommendations for removal of any obstacles to the implementation of the Project; and (iii) reviewing progress made towards achieving the Project’s objective.

3. Project Technical Committee

   (a) The Recipient shall, not later than September 30, 2014, establish and thereafter maintain at all times during the implementation of the Project, a Project Technical Committee (PTC) chaired by the Project Director and comprising a Project Coordinator, component coordinators and technical staff from MOE and other agencies involved in project implementation; with functions and responsibilities satisfactory to the Bank, including: (i) providing quality assurance on technical aspects of the Project; (ii)
approving the proposed annual work plan and budget for onward transmission to the Bank; and (iii) overseeing Project implementation.

(b) Without limitation upon the provisions of paragraph (a) the Recipient shall cause the PTC to meet at least once every two months.

B. Implementation Arrangements

1. Project Operations Manual

Without limitation to the provisions of Article II of the Standard Conditions, the Recipient shall ensure that:

(a) the Project is carried out in accordance with the Project Operational Manual; and

(b) the Project Operational Manual or any part thereof is not amended, waived, suspended or abrogated without the Bank’s prior written concurrence, and in case of any inconsistency between the provisions of the Project Operational Manual and those of this Agreement, the provisions of this Agreement shall prevail.

C. Annual Work Plan and Budget

1. The Recipient shall prepare and furnish to the Bank, not later than December 1 of each Fiscal Year during the implementation of the Project, a work plan and budget containing all activities proposed to be included in the Project during the following Fiscal Year and a proposed financing plan for expenditures required for such activities, setting forth the proposed amounts and sources of financing therefor.

2. The Recipient shall afford the Bank a reasonable opportunity to exchange views with the Recipient on each such proposed work plan and budget and shall thereafter, ensure that the Project is implemented with due diligence during said following Fiscal Year, in accordance with such work plan and budget as shall have been approved by the Bank (“Annual Work Plan and Budget”).

3. The Recipient shall not make or allow to be made any change to the approved Annual Work Plan and Budget without prior approval in writing by the Bank.

C. Anti-Corruption

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

The Recipient shall carry out the Project in accordance with the provisions of the EMF. To that end, if any activities included in a proposed Annual Work Plan and Budget would, pursuant to the EMF, require the preparation of an EMP, the Recipient shall ensure that no such activities shall be implemented, unless and until, an EMP for such activities has been: (i) prepared, in accordance with the EMF and furnished to the Bank as part of the Annual Work Plan and Budget; (ii) disclosed locally as required by the EMF; and (iii) approved by the Bank and publicly disclosed.

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 acceptable to the World Bank. Each Project Report shall cover the period of six months, and shall be furnished to the World Bank not later than one month after the end of the period covered by such report.

2. The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six months after the Closing Date. 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, and Audits

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

2. The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty five days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

3. The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each 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.
Section III. Procurement

A. General

1. Goods, Works and Non-consulting Services. All goods, works and non-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 Section I of the Procurement Guidelines, and with the provisions of this Section.

2. Consultants’ Services. All 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 Sections I and IV of the Consultant Guidelines and with the provisions of this Section.

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

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

1. International Competitive Bidding. Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. Other Methods of Procurement of Goods, Works and Non-consulting Services. The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding, subject to the additional provisions contained in paragraph 3 of this Section; (b) Shopping; and (c) Direct Contracting.

3. Modifications to the Recipient’s National Competitive Bidding Procedures. The National Competitive Bidding procedures (“NCB”) shall be based on the Open Tendering procedures as defined in the Public Procurement Law (“PPL”) of Albania (Law No. 9643 dated November 20, 2006, as amended), provided, however, that such procedure shall be subject to the provisions of Section I and Paragraphs 3.3 and 3.4 of the Procurement Guidelines and the following additional provisions:

(a) "Open Tendering" procedures as defined in the PPL of Albania shall apply to all contracts financed by the Bank.

(b) Foreign bidders shall not be precluded from bidding and no preference of any kind shall be given to national bidders in the bidding process.
Government-owned enterprises in Albania shall be permitted to bid only if they are legally and financially autonomous and operate under commercial law of the Recipient. Registration shall not be used to assess bidders’ qualifications.

(c) Bids shall be opened in public in one location, immediately after the deadline for submission of bids in the presence of the representatives who choose to attend.

(d) The procuring entities shall use sample bidding documents as approved by the Bank.

(e) In case of higher bid prices compared to the official estimate, all bids shall not be rejected without the prior concurrence of the Bank.

(f) A single-envelope procedure shall be used for the submission of bids.

(g) Post-qualification shall be conducted only on the lowest evaluated bidder; no bid shall be rejected at the time of bid opening on qualification grounds.

(h) Bidders in the form of a joint venture shall be held jointly and severally liable.

(i) Before rejecting all bids and soliciting new bids, the prior concurrence of the Bank shall be obtained.

(j) Contracts shall be awarded to the lowest evaluated, substantially responsive bidder who is determined to be qualified to perform in accordance with pre-defined and pre-disclosed evaluation criteria.

(k) Post-bidding negotiations shall not be allowed with the lowest evaluated or any other bidders.

(l) Contracts of long duration (more than 18 months) shall contain appropriate price adjustment provisions.

(m) Bid and contract guarantees shall be in the format included in the bidding documents. The bid guarantee shall be valid for twenty-eight days (28) beyond the original validity period of the bid, or beyond any period of extension if requested. No advance payments shall be made without a suitable advance payment guarantee.

(n) The bidding document and contract as deemed acceptable by the Bank shall include provisions stating the Bank’s policy to sanction firms or
individuals, found to have engaged in fraud and corruption as defined in the Procurement Guidelines.

(o) In accordance with the Procurement Guidelines, each bidding document and contract financed out of the proceeds of the Grant shall provide that bidders, suppliers and contractors, and their subcontractors, agents, personnel, consultants, service providers, or suppliers, shall permit the Bank to inspect all accounts, records, and other documents relating to the submission of bids and contract performance, and to have them audited by auditors appointed by the Bank. Acts intended to materially impede the exercise of the Bank’s inspection and audit rights provided for in the Procurement Guidelines constitute an obstructive practice as defined in the Procurement Guidelines.

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 contracts which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants’ Qualifications; (e) Single-source Selection of consulting firms; (f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (g) Single-source procedures for the Selection of Individual Consultants.

D. Review by the Bank of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Bank’s Prior Review. All other contracts shall be subject to Post Review by the 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 100% of Eligible Expenditures consisting of goods, services and Operating Costs inclusive of Taxes.
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 US Dollars)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non consulting services, training, consultants services, and Operating Costs under Parts 1(a), 2(a) and Part 3 of the Project</td>
<td>2,880,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>2,880,000</td>
<td></td>
</tr>
</tbody>
</table>

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made for payments made prior to the date of this Agreement.

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is September 30, 2019.
APPENDIX

Definitions

1. "Albania Forest Information System" means an information technology framework designed to obtain data or information on forests and pastures to facilitate analysis and reporting on integrated forest management.

2. "Annual Work Plan and Budget" means the work plan and budget prepared annually by the Recipient and approved by the Bank in accordance with Section C of Schedule 2 to this Agreement; and “Annual Work Plans and Budgets” means more than one Annual Work Plan and Budget.


4. “ARDA” means the Borrower’s Agency for Rural Development and Agriculture established and operating pursuant to the Law on Agriculture and Rural Development, No. 9817, dated October 22, 2007, or its legal successor thereto.

5. “Beneficiary” means a recipient of an IPAD like Grant under Part 2 (b) of the Project.

6. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.

7. “Co-financier” means the Swedish International Development Cooperation Agency (Sida).

8. “Co-financing Agreement” means the Sida Co-financing Agreement.

9. “Co-financing” means an amount of Swedish Kronor sixty five million (SEK 65,000,000) to be provided by Sida to assist in the financing of the Project.

10. “Communal Forest and Pasture Management Plans” or “CFPMPs” means a management tool developed by communities, outlining the communities’ short, medium and long term measures for the management of forests and pasture lands for at least 10 years.

11. “Communal Forest and Pastures Users Associations” or CFPUAs means non-governmental organizations comprising of members of communities that use forests and pastures resources within an area of a rural local government unit.
12. "Communal Micro-Catchment Management Plans" or "CMCMPS" means a management tool developed by communities which outlines the short, medium and long term measures for the management of forest, pasture and agricultural lands for at least 10 years.


14. "Council of Ministers" means the Recipient’s executive branch of government chaired by the Prime Minister.

15. “Department of Development Programming Financing and Foreign Aid” means the department in the Prime Minister’s office established and operating pursuant to the Prime Minister Order No. 204, dated November 1, 2013.

16. “District Forest Office” means the Recipient’s offices at the district level responsible for forest and pasture management.

17. “Environmental Management Framework” or “EMF” means the framework prepared by the Recipient dated and disclosed on January 23, 2014, setting forth the modalities for environmental screening and procedures for the preparation and implementation of environmental management plans under the Project, and such term includes all schedules and annexes to the EMF.

18. “Environmental Management Plan” or “EMP” means, with respect to each activity under the Project pursuant to which the EMF requires an environmental management plan, such plan prepared in accordance with the provisions of Section I.E of Schedule 2 to this Agreement; and “EMPs” means more than one EMP.

19. “Gender Action Plan” means a plan developed by the Recipient dated November 7, 2013 to strengthen the participation of women in all project activities and constituting part of the Project monitoring and evaluation system.

20. “IBRD Loan Agreement” means loan agreement of same date as this agreement between the Recipient and the World Bank.

21. “IPRO” means the Recipient’s Immovable Property Registration Office established and operating pursuant to the “Law on Immovable Property” Registration No.33/ 2012, or its legal successor thereto.

22. “Local Action Group” or “LAG” means a partnership between the public, private and civil society at a regional level to develop a rural area.
23. "MARDWA Managing Authority" means the Rural Development Department in MARDWA.


25. "MOE" means the Recipient’s Ministry of Environment or its legal successor thereto.

26. "MOF" means the Recipient’s Ministry of Finance or its legal successor thereto.

27. "National Federation of FPUAs" means a national non-profit organization which represents the interests of forests and pastures users in the Borrower's territory.

28. "National Forest Inventory” or “NFI” means a compilation of data on forests, derived from information provided by satellite imagery, with the aim of creating a national level assessment on how the forest cover and volume have changed over a certain period.

29. “NEA” means the Borrower’s National Agency of Environment established pursuant to the Council of Ministers’ Decision No. 47, January 29, 2014, on the Organization and Functioning of the National Environmental Agency and Regional Environmental Agencies; or its legal successor thereto.

30. “Operating Costs” means the reasonable incremental expenses arising under the Project, and consisting of expenditures for equipment for MOE and ARDA staff associated with the implementation of Project activities, costs for office maintenance, per diems for civil servants, (excluding the salaries of government civil servants), furniture, materials and supplies, communication costs, advertising and fuel costs for field visits.

31. “Payment for Environmental Services” means a payment offered to individuals or groups in exchange for sustainable land use or practices.

32. “Payment for Watershed Services” means a payment offered to individuals or groups in exchange for sustainable use of watersheds.


34. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated April 29, 2014 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.
35. “Project Management Team” means the Recipient’s team comprising the MOE assigned staff, Project Coordinator, procurement specialist, financial management specialists and other staff to be recruited for the Project pursuant to Section I.A.1 of Schedule 2 to this Agreement.

36. “Project Operations Manual” means the manual prepared in accordance with Section I.B.1 of Schedule 2 to this Agreement and confirmed to be satisfactory by the Bank and adopted by the Recipient, describing and setting forth procedures for implementation of the Project and institutional arrangements, consistent with the provisions of this Agreement and with applicable laws and regulations and including, the respective roles and responsibilities of the actors involved in the implementation of the Project.

37. “Regional Forest Directorate” means a government unit within MOE responsible for forest and pasture management and extension services at the regional level, established and operating pursuant to the Law on Forestry and Forestry Service No. 9385, dated May 4, 2005, or its legal successor thereto.

38. “Sida Co-financing Agreement” means the agreement to be entered into between the Recipient and the Bank, providing a grant to the Bank in the amount of sixty five million Swedish Kronor (SEK 65,000,000) to assist in financing the Project; as such agreement may be amended from time to time. “Sida Co-financing Agreement” includes all appendices, schedules and agreements supplemental to the Sida Co-financing Agreement.

39. “Training” means the reasonable costs associated with the training, workshop and study tour participation of personnel involved in Project activities, said costs to consist of travel and subsistence for training, workshop and study tour 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, workshop or study tour preparation and implementation (but excluding costs of consulting services).