Pacific Region Infrastructure Facility (PRIF) Grant Agreement

(Rural Electrification Project)

between

REPUBLIC OF VANUATU

And

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT/INTERNATIONAL DEVELOPMENT ASSOCIATION acting as administrator of PRIF

Dated 4th December, 2014
PRIF GRANT NUMBER TF018003

PACIFIC REGION INFRASTRUCTURE FACILITY
GRANT AGREEMENT

AGREEMENT dated 4th December, 2014, entered into between:

REPUBLIC OF VANUATU ("Recipient"); and

INTERNATIONAL BANK FOR RECONSTRUCTION AND
DEVELOPMENT/INTERNATIONAL DEVELOPMENT ASSOCIATION ("World
Bank"), acting as administrator of Pacific Region Infrastructure Facility Multi Donor
Trust Fund ("Trust Fund").

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 the Project through the Ministry of Climate Change and Natural
Disasters 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 four million seven hundred thousand United States Dollars ($4,700,000) ("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 Minister of Finance.

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

Ministry of Finance and Economic Management  
Port Vila, Vanuatu  
Telex: 67823032  
Facsimile: 67827937

4.03. The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

International Bank for Reconstruction and Development/International Development Association  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

Cable: INTBAFRAD  
Telex: 248423 (MCI)  
Facsimile: 1-202-477-6391

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Washington, D.C.

AGREED at Port Vila, Vanuatu, as of the day and year first above written.

REPUBLIC OF VANUATU

By

Name: Maki Simelum
Title: Minister of Finance

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION
acting as administrator of PRIF

By

Name: FRANZ. R. DREES-GROSS
Title: COUNTRY DIRECTOR, EACNF
SCHEDULE 1
Project Description

The objective of the Project is to scale up access to electricity services for rural households, aid posts and community halls located in dispersed off-grid areas.

The Project consists of the following parts:

Part 1: **Electrification of off-grid households, aid posts and community halls**

Provision of Subsidies for the supply of solar photovoltaic systems to eligible off-grid households, aid posts and not-for-profit community halls.

Part 2: **Technical assistance and Project management**

Carrying out a program of activities to support implementation of the Project, such program to include:

(a) raising beneficiaries’ awareness of the Subsidies available under Part 1, training on safety and product care and the establishment of a grievance mechanism;

(b) enhancement and implementation of Vendor and product registrations arrangements;

(c) support with the development of microfinance products to encourage lending in rural areas;

(d) Review and/or update of legislation, regulations or other rules, and codes of practice for disposal of batteries;

(e) workshops, technical training, support, and financing of Incremental Operating Costs;

(f) independent monitoring and verification of Subsidy claims prior to payments; and

(g) monitoring, evaluation, financial management, supervision, and audit of the Project.
SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements

The Department of Energy, within the Ministry of Climate Change and Natural Disasters, shall be responsible for overall Project implementation, management, and monitoring and evaluation, including administrative management, procurement and financial management.

B. Subsidy Implementation Agreement

1. The Recipient shall, through the Department of Energy, provide Subsidies under Part 1 of the Project, in accordance with the Project Operations Manual and the Subsidy Implementation Manual and the respective Subsidy Implementation Agreements.

2. Prior to disbursement of any Subsidy Payments to an eligible Vendor, under Part 1 of the Project, the Recipient, through the Department of Energy, shall enter into a Subsidy Implementation Agreement with the respective Vendor, under terms and conditions satisfactory to the World Bank, including the following:

   a. require the Vendor to carry out its obligations in accordance 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 Anti-Corruption Guidelines, the Environmental Code of Practice (ECOP) and the Subsidy Implementation Manual;

   b. require verification by an Independent Verification Agent prior to making Subsidy payments, in accordance with the Project Operations Manual and the Subsidy Implementation Manual;

   c. stipulate that in the case of conflict between the provisions of the Subsidy Implementation Agreement and this Agreement, the latter shall apply; and

   d. provide that the Recipient shall have the right to suspend or terminate the right of the Vendor to receive Subsidy payments upon failure by the Vendor to perform its obligations under the Subsidy Implementation Agreement.

1. The Recipient shall, prior to disbursement of any Subsidy Payments under Category (2), prepare and adopt a Subsidy Implementation Manual setting forth detailed arrangements for implementation of Part 1 of the Project, including eligibility criteria for beneficiaries and Vendors; the process for registration of Vendors; product registrations arrangements; arrangements for verification of Subsidy claims; and a grievance mechanism, in form and substance satisfactory to the World Bank.

2. The Recipient shall ensure that the Project is carried out in accordance with the Project Operations Manual and Subsidy Implementation Manual; 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, the Project Operations Manual or the Subsidy Implementation Manual, any provision thereof.

3. In the event of a conflict between the provisions of the Project Operations Manual and the Subsidy Implementation Manual on the one hand, and those of this Agreement on the other hand, the latter shall govern.

D. Independent Verification Agent and Output Verification Reports

The Recipient shall, prior to disbursement of any Subsidy payments under Category (2), appoint in accordance with Section III of this Schedule 2, and thereafter maintain at all times during implementation of the Project, an Independent Verification Agent ("IVA") to be responsible for verification of sales of solar photovoltaic systems under the Project and preparation of an Output Verification Report as a basis for Subsidy payments, in accordance with the provisions of the Project Operations Manual, Subsidy Implementation Manual and the Subsidy Implementation Agreement.

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. Environmental Safeguards

1. The Recipient shall ensure that the Project is carried out in accordance with the provisions of the ECOP.

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2. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall, in accordance with terms of reference satisfactory to the World Bank: (a) monitor the status of compliance with the ECOP; and (b) prepare and furnish to the World Bank, as part of each Project Report, a report on the results of such monitoring activities during the period covered by said Project Report, giving details of:

i. measures taken in furtherance of the ECOP;

ii. conditions, if any, that interfere or threaten to interfere with the smooth implementation of the ECOP;

iii. remedial measures taken or required to be taken to address such conditions.

3. The Recipient shall afford the World Bank a reasonable opportunity to review the reports prepared under paragraph 2 of this Part F, and thereafter shall carry out with due diligence all remedial measures agreed with the World Bank so as to ensure the proper implementation of the Project in accordance with the ECOP.

G. Donor Visibility and Visit

1. The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the donors' 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 and set forth in the Project Operations Manual. 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.

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.

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 fiscal year of the Recipient, except for the audit for the first year which shall cover the period from date of the countersignature of this Agreement to December 31, 2015. The audited Financial Statements for each 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 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 and revised in July 2014 (“Procurement Guidelines”) in the case of goods 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 and revised in July 2014 (“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**

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. **Other Methods of Procurement of Goods.** The following methods, other than International Competitive Bidding, may be used for procurement of goods for those contracts specified in the Procurement Plan: (a) National Competitive Bidding, subject to the additional provisions set forth in the Attachment to this Schedule 2; (b) Shopping; (c) Direct Contracting; and (d) procurement under Framework Agreements in accordance with procedures which have been found acceptable to the World Bank.

**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) Least Cost Selection; (c) Selection based on Consultants' Qualifications; (d) Single-source Selection of consulting firms; (e) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (f) 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) Goods, consultants’ services, Training and Workshops, and Incremental Operating Costs under the Project</td>
<td>1,600,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Subsidy Payments under Part 1 of the Project</td>
<td>3,100,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>4,700,000</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:

   (a) made prior to the date of this Agreement;
under Category (2), unless (i) the Subsidy Implementation Manual has been prepared and adopted in accordance with Section I.C of Schedule 2 to this Agreement; (ii) for each respective Vendor, the Recipient has entered into a Subsidy Implementation Agreement with the such Vendor; and (iii) the IVA has verified the transaction and prepared an Output Verification Report in accordance with the Subsidy Implementation Manual.

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2019.
Conditions for Use of National Competitive Bidding Procedure

(based on January 2011 Procurement Guidelines)

The procurement procedure to be followed for National Competitive Bidding shall be the Open and Competitive Bidding procedure set forth in the Government Contracts and Tenders, Chapter 245 of Laws of the Republic of Vanuatu, Consolidated Edition 2006, and Tenders Regulation Order No.40 of 1999 issued by Ministry of Finance and Economic Management, provided, however, that such procedure shall be subject to the provisions of Section I and Paragraphs 3.3 and 3.4 of the “Guidelines for Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits & Grants by World Bank Borrowers” (January 2011) (the “Procurement Guidelines”) and the following additional provisions:

Eligibility

1. Eligibility to participate in a procurement process for and to be awarded a Bank financed contract shall be as defined under Section I of the Procurement Guidelines; accordingly, no bidder or potential bidder shall be declared ineligible for contracts financed by the Bank for reasons other than those provided in Section I of the Procurement Guidelines. Foreign bidders shall be eligible to participate in bidding under the same conditions as national bidders. No domestic preference shall be granted in bid evaluation on the basis of bidder’s nationality, origin of goods or services, and/or preferential programs.

Advertising; time for bid preparation

2. Invitations for bids shall be advertised in the local press of national coverage or the official gazette or on a widely used website or electronic portal with free national and international access. The Invitations for Bids shall contain at least the following information: nature of works, procurement methods, duration of works, the date for submission and opening of bids, the address of the entity awarding the contract and for asking clarifications, qualification and technical requirements, amount of bids security. Prospective bidders shall be given at least thirty (30) days from the date of publication of the invitation to bids or the date of availability of the bidding documents, whichever is later, to prepare and submit bids.
3. Bidding documents acceptable to the Bank shall be used, and shall be prepared so as to ensure economy, efficiency, transparency, and broad consistency with the provisions of Section I and paras 3.3 and 3.4 of the Procurement Guidelines.

**Registration of contractors**

4. Registration shall not be used to assess bidders’ qualifications. A foreign bidder shall not be required to register as a condition for submitting its bid, and a foreign bidder recommended for contract award shall be given a reasonable opportunity to register, with the reasonable cooperation of the Employer, prior to contract signing.

**Bid Submission, Bid Opening and Bid Evaluation**

5. Bidders may submit bids, at their option, either in person or by courier service or by mail. All bidding for works shall be carried out through a one-envelope procedure. Bids shall be opened in public, immediately after the deadline for submission of bids. A copy of the bid opening minutes shall be promptly provided to all bidders who submitted bids and to the Bank, with respect to the contracts subject to prior review. Evaluation of bids shall be made in strict adherence to the evaluation criteria specified in the bidding documents. Evaluation criteria other than price shall be quantified in monetary terms. Merit points shall not be used, and no minimum point or percentage value shall be assigned to the significance of price, in bid evaluation. A bidder shall not be eliminated from detailed evaluation on the basis of minor, non-substantial deviations.

6. All bidders shall be required to provide security in an amount sufficient to protect the Employer in case of breach of contract by the contractor/supplier, and the bidding documents shall specify the required form and amount of such security. In place of a bid security, the bidding documents may require that a bidder submits with its bid a signed declaration accepting that, if the bidder withdraws or modify its bid during the bid validity period or, if awarded the contract, the bidder fails to sign the contract or submit any required performance security before the deadline required in the bidding documents, the bidder will be suspended for the period of time specified in the bidding documents from being eligible to bid for any contract with the entity that invited bids.

7. Qualification criteria shall be clearly specified in the bidding documents. All criteria so specified, and only such specified criteria, shall be used to determine whether a bidder is qualified. Qualification shall be assessed on a “pass or fail” basis, and merit points shall not be used. Such assessment shall be based entirely upon the bidder’s or prospective bidder’s capability and resources to effectively perform the contract, taking into account objective and measurable factors, including: (i) relevant general and specific experience, and satisfactory past performance and successful completion of similar contracts over a given period; (ii) financial position; and where relevant (iii) capability of construction and/or manufacturing facilities.
8. In the procurement of works where pre-qualification is not used, the qualifications of the bidder who is recommended for award of contract shall be assessed by post qualification, applying the qualification criteria stated in the bidding documents.

9. No bids shall be rejected solely on the basis of comparison with the cost estimates without the Bank's prior written concurrence.

10. Each contract shall be awarded within the period of the validity of bids to the lowest evaluated responsive bidder, that is, the bidder, who meets the appropriate standards of capability and resources and whose bid has been determined (i) to be substantially responsive to the requirements of the bidding documents and (ii) to offer the lowest evaluated cost. No negotiations shall be permitted. A bidder shall neither be required nor permitted, as a condition of award, to undertake responsibilities for the works/goods supply not stipulated in the bidding documents or otherwise to modify the bid as originally submitted.

Rejection of All Bids and Re-bidding
11. All bids (or the sole bid if only one bid is received) shall not be rejected, the procurement process shall not be cancelled, and new bids shall not be solicited without the Bank's prior written concurrence.

Currency of bid and currency of payment
12. The bidder shall express the bid in the currency/currencies set forth in the bidding documents. The payment of the contract price shall be made in the currency or currencies of bid.

Extension of the Validity of Bids
13. Extension of validity of bids may be allowed in exceptional circumstances, but there shall be no amendment to the price or any other conditions of bids. Bidders may refuse such an extension without forfeiting their bids securities, but bidders granting an extension shall provide extension of the validity of their bid securities.

Fraud and Corruption
14. 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.

Public of Award of Contract
15. Result of bid evaluation and contract award shall be published in a national press or an official gazette or free and open access website. The publication shall include: (a) the name of each bidder that submitted a bid; (b) bid prices as read out at bid opening; (c) evaluated prices of each bid that was evaluated; (d) the names of bidders whose bids were either rejected as non-responsive or not meeting qualification criteria, or not evaluated, with the reasons thereof; and (e) the name of the winning bidder, and final total contract price, as well as the duration and summary scope of the contract. Such publication shall be within two weeks of receiving the Bank's no
objection to the award recommendation for contracts subject to the Bank’s prior review, and within two weeks of the Recipient’s award decision for contracts subject to the Bank’s post review.

Complaints by Bidders and Handling of Complaints
16. The Recipient shall establish and implement an effective, fair and independent protest mechanism allowing bidders to protest and to have their protests handled in a timing manner.

Inspection and Audit Rights
17. In accordance with the Procurement Guidelines, each bidding document and contract financed out of the proceeds of the Financing 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 Guidelines.

Contract Modifications
18. With respect to contracts subject to the Bank’s prior review, the Recipient shall obtain the Bank’s no objection before agreeing to: (a) a material extension of the stipulated time for performance of a contract; (b) any substantial modification of the scope of services or other significant changes to the terms and conditions of the contract; (c) any variation order or amendment (except in cases of extreme urgency) which, singly or combined with all variation orders or amendments previously issued, increases the original contract amount by more than 15 percent; or (d) the proposed termination of the contract. A copy of all contract amendments shall be provided to the Bank.
APPENDIX

Definitions


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


5. “ECOP” means Environmental Code of Practice (Used Battery Disposal) for Rural Electrification Project, Vanuatu dated June 2014 setting forth the procedures for disposal of used batteries.

6. “Incremental Operating Costs” means the incremental costs of the Project incurred by the Recipient on account of Project implementation, monitoring, evaluation, coordination and supervision, as approved by the World Bank based on annual budgets acceptable to the World Bank, which would not have been incurred but for the Project, including: (i) maintenance of equipment and computers including hardware and software; (ii) outreach and communication costs and shipment costs (whenever these costs are not included in the cost of goods); (iii) office supplies and equipment; (iv) rent for office facilities; (v) travel and per diem costs for technical staff carrying out supervisory, data collection, and quality control activities; (vi) operation and maintenance of vehicle, repairs, fuel, and spare parts; and (vii) salaries of local Project administrative staff but excluding salaries of the Recipient’s civil servants.

7. “Independent Verification Agent” or “IVA” means the agent to be appointed by the Department of Energy as provided for in Section I.D of Schedule 2.

9. "PRIF" means the Multi-Donor Trust Fund which finances infrastructure projects in the Pacific Region and financed by the Commonwealth of Australia and New Zealand.


11. "Procurement Plan" means the Recipient’s procurement plan for the Project dated October 1, 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.

12. "Project Operations Manual" means the manual referred to in Section I.C of Schedule 2 to this Agreement, setting forth the implementation arrangements for the Project, including financial management, procurement, disbursement and flow of funds, indicators for monitoring and evaluation of the Project, as such Manual may be modified from time to time with written approval of the World Bank.


14. "Subsidy" means the amount payable under a Subsidy Implementation Agreement to the Vendor for each solar photovoltaic system provided by the Vendor to eligible beneficiaries, calculated in accordance with the subsidy mechanism set forth in the Project Operations Manual and/or the Subsidy Implementation Manual, and verified by the Independent verification Agent; and "Subsidies" means more than one such Subsidy.

15. "Subsidy Implementation Agreement" means the agreement between the Recipient and each Vendor setting forth implementation arrangements for Part 1 of the Project, as described in Section I.B of Schedule 2 to this Agreement and in the Project Operations Manual.

16. "Subsidy Implementation Manual" means to be prepared and adopted in accordance with Section I.C of Schedule 2 to this Agreement, to be annexed to the Project Operations Manual.

17. "Training and Workshops" means training courses and workshops required for the Project, as approved by the World Bank, including reasonable course or conference fees, travel and accommodation costs, per diems, rental of training and workshop facilities, preparation and production of training and workshop materials, and other costs directly related to training courses and workshop preparation and implementation.
18. "Vendor" means a seller of solar photovoltaic systems within the Recipient's territory that is authorized to sell such systems under the Project and has entered into a Subsidy Implementation Agreement with the Recipient.