Global Environment Facility
Grant Agreement

(Geothermal Energy Upstream Development Project)

between

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

and

PT SARANA MULTI INFRASTRUKTUR (PERSERO)

March 7, 2017
GLOBAL ENVIRONMENT FACILITY GRANT AGREEMENT

AGREEMENT dated March 7, 2017, entered into between: PT SARANA MULTI INFRASTRUKTUR (PERSERO) ("Recipient"); and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("World Bank"), acting as an implementing agency of the Global Environment Facility ("GEF").

WHEREAS (A) the Republic of Indonesia ("Member Country"), having satisfied itself as to the feasibility and priority of the Project described in Schedule 1 to this Agreement ("Project"), which is intended to support the Recipient’s special assignment authorized by the Minister of Finance to provide geothermal data and information based on the Memorandum of Understanding to be signed between the Minister of Finance and Minister of Energy and Mineral Resources, has requested the World Bank, acting as an implementing agency of the GEF, to extend a Grant to the Recipient to assist in the financing of the Project; and

(B) the Member Country has also requested World Bank, in its capacity as implementing agency of the Clean Technology Fund, to provide additional assistance towards the financing of the Project, and the CTF Implementing Agency intends to make available to the Recipient a grant for such purpose in an amount of forty-nine million United States Dollars (USD 49,000,000), ("CTF Grant"), pursuant to the agreement to be entered into between the Recipient and the World Bank ("CTF Grant Agreement");

The Recipient and the World Bank hereby agree as follows:

Article I
Standard Conditions; Definitions

1.01. The Standard Conditions (as defined in the Appendix to this Agreement) 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 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 not to exceed six million two hundred and fifty thousand United States Dollars (USD 6,250,000) ("Grant") to assist in financing Part 2 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
Effectiveness; Termination

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

(a) The execution and delivery of this Agreement on behalf of the Recipient has been duly authorized or ratified by all necessary corporate action.

(b) The CTF Grant Agreement has been duly executed and all conditions precedent to its effectiveness, other than the effectiveness of this Agreement, have been fulfilled.

4.02. As part of the evidence to be furnished pursuant to Section 4.01(a) above, there shall be furnished to the World Bank an opinion or opinions, satisfactory to the World Bank, of counsel acceptable to the World Bank, showing that this Agreement has been duly authorized or ratified by the Recipient, and executed and delivered on its behalf and is legally binding upon it in accordance with its terms.
4.03. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 4.01 ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

4.04. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (90) days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

Article V
Recipient’s Representative; Addresses

5.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its President Director.

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

PT Sarana Multi Infrastruktur (Persero)
Sahid Sudirman Center, 48th Floor
Jl. Jend. Sudirman No. 86
Jakarta 10220, Indonesia

Fax: (+62-21) 8082 5258

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

Facsimile: 1-202-477-6391
AGREED at Jakarta, Republic of Indonesia, as of the day and year first above written.

PT SARANA MULTI INFRASTRUKTUR
(PERSERO)

By

Authorized Representative

Name: Emma Sri Martini

Title: President Director

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

By

Authorized Representative

Name: Rodrigo A. Chaves

Title: Country Director, Indonesia
SCHEDULE 1

Project Description

The objective of the Project is to facilitate investment in geothermal power generation and reduce greenhouse gas emissions.

The Project consists of the following parts:

Part 1. Risk Mitigation for Geothermal Exploration Drilling

Carrying out a program of activities designed to support the Recipient’s geothermal energy exploration drilling ("Exploration Sub-projects"), through: (a) drilling of exploration and confirmation wells; (b) construction of access roads and other associated infrastructure to facilitate the drilling activities, at select geothermal sites; and (c) implementation of measures set forth in the Safeguard Instruments.

Part 2. Capacity Building on Geothermal Exploration and Environmental and Social Safeguards Management

Carrying out a program of technical assistance and capacity building designed to establish an efficient and effective geothermal energy exploration and tendering program including such activities as:

(a) advisory support in carrying out geology, geochemistry and geophysics surveys (3G surveys) and topographic mapping for geothermal sites;

(b) advisory support for preparation of drilling, well completion and resource assessment reports (based on 3G surveys), as well as for the bidding process for exploration service companies;

(c) recruitment of an exploration management team and exploration site teams;

(d) advisory support for environmental and social safeguard management related to exploration and exploitation of geothermal energy; and

(e) just-in-time assistance to MEMR and the Recipient in response to request for international expertise to deal with questions related to, inter alia, geothermal tariff setting, benefit-sharing, and data management and sharing.
SCHEDULE 2
Project Execution
Section I. Institutional and Other Arrangements
A. Institutional Arrangements
1. The Recipient shall take all measures within its control to ensure that a Joint Committee is established and maintained, at all times during the implementation of the Project, with functions, composition (including representatives of the Ministry of Finance and Ministry of Energy and Mineral Resources), and resources satisfactory to the World Bank.

2. The Recipient shall, at all times during the implementation of the Project, maintain the Project Management Unit with functions and responsibilities, qualified and experienced staff in sufficient numbers (including specialists in financial management, procurement, disbursement and safeguards aspects as well as exploration project manager), adequate funds, facilities, services and other resources necessary for Project implementation, all satisfactory to the World Bank.

3. The Recipient shall, not later than three months after the Effective Date, recruit an exploration management team, in accordance with the provisions of Section III of this Schedule, with qualifications, experience and terms of reference satisfactory to the World Bank.

B. Project Implementation Manual
1. The Recipient shall: (a) implement the Project, and cause the Project to be implemented, in accordance with the Project Implementation Manual; and (b) ensure that the Project Implementation Manual is: (i) made available, at all times until completion of the Project, to among others, consultants, contractors, service providers and other agencies involved in Project implementation; and (ii) applied in the carrying out of Exploration Sub-projects.

2. Except as the World Bank may otherwise agree to in writing, the Recipient shall not abrogate, amend, repeal, suspend, waive or otherwise fail to enforce the Project Implementation Manual or any provision thereof.

3. In the event of any conflict between the provisions of: (a) the Project Implementation Manual; and (b) those of this Agreement, the latter shall prevail.
C. **Counterpart Funds**

Without limitation to the provisions of Section 2.01(b) of the Standard Conditions, the Recipient shall provide a contribution in an amount of USD 49,000,000 equivalent as Counterpart Funds to finance the Project.

D. **Anti-Corruption**

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

E. **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 GEF 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, take all measures required on its part to enable the representatives of the GEF donors to visit any part of the Member Country’s territory for purposes related to the Project.

F. **Environmental and Social Safeguards.**

1. In carrying out Exploration Sub-projects, the Recipient shall apply the Environmental and Social Management Framework - which incorporates *inter alia* the Resettlement Planning Framework and the Indigenous Peoples Planning Framework - and where applicable the Recipient shall: (a) prepare, or cause to be prepared, as required, an Environmental and Social Impact Assessment, an Environmental and Social Management Plan, an IPP and/or LARAP for each Exploration Sub-project, fully consistent with this Agreement and the Environmental and Social Management Framework; (b) furnish each such assessment and plan to the World Bank for a written no-objection prior to carrying out the Exploration Sub-project; and (c) thereafter implement the Exploration Sub-project in accordance with each such plan.

2. The Recipient shall:

   (a) take, or cause to be taken, all necessary actions to minimize to the extent possible any Involuntary Resettlement;

   (b) in the event that any Project activities give rise to Affected Persons, before taking possession of any land, or commencing involuntary resettlement or any works which would result in involuntary resettlement, take, or cause to be taken, all necessary actions to compensate and provide all Affected Persons with applicable resettlement and rehabilitation benefits in accordance with the guidelines, requirements and procedures set forth in the Resettlement Policy Framework and the relevant Land Acquisition and Resettlement Action Plan; and
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(c) finance exclusively out of its own resources or other resources, and not out of the proceeds of the Grant, and provide, promptly as needed, the resources needed for the following: (i) all land acquisition required for the purposes of the Project; (ii) resettlement and rehabilitation payments and other assistance to Affected Persons in accordance with the provisions of the Resettlement Policy Framework and any Land Acquisition and Resettlement Action Plans; and (iii) all other costs associated with environmental and/or social mitigation measures set forth in the Safeguard Instruments.

3. Where Indigenous Peoples are present in, or have a collective attachment to, the area where an Exploration Sub-project activities are proposed, the Recipient shall apply, or cause to be applied, the Indigenous Peoples Planning Framework to Exploration Sub-project implementation, including:

(a) avoiding, and, if not possible, minimizing cultural, social and economic adverse effects on Indigenous Peoples caused or likely to be caused by the Project;

(b) through a process of free, prior, and informed consultation and participation, involving concerned Indigenous Peoples in the design and implementation of Exploration Sub-projects so as to ensure that there is broad community support for Exploration Sub-projects and that the benefits received by the Indigenous Peoples under the Project are in harmony with their economic, social and cultural preferences and protect their customary user rights; and

(c) preparing an Indigenous Peoples Plan based on the foregoing consultations and furnishing such Indigenous Peoples Plan to the World Bank for written no-objection prior to carrying out an Exploration Sub-projects; and thereafter implementing the Exploration Sub-project in accordance with such plan.

4. The Recipient shall ensure that all technical assistance activities under the Project are undertaken in accordance with the guidelines, requirements and procedures set forth in the Safeguards Instruments and the relevant operational policies of the World Bank.

5. The Recipient shall take all measures necessary on its part to regularly collect, compile, and submit to the World Bank, as part of the Project Reports, information on the status of compliance with the Safeguards Instruments, giving details of:

(a) measures taken in furtherance of such instruments;

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

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

6. In the event of a conflict between the provisions of any of the Safeguards Instruments and those of this Agreement, the latter shall prevail.

G. Exploration Sub-projects

1. The Recipient shall ensure that Exploration Sub-projects under Part I of the Project are prepared, reviewed, approved and implemented on the basis of eligibility and selection criteria, and in accordance with guidelines and procedures, all acceptable to the World Bank, including, inter alia, those set forth in this Agreement and the Project Implementation Manual.
2. The Recipient shall: (a) maintain all requisite Governmental Approvals throughout Project implementation; and (b) provide written notice to the World Bank of its receipt from any Governmental Authority of any notice of potential suspension, revocation, or cancellation of any Government Approvals, as well as of any suspension, revocation, or cancellation of any such Approvals, in either case within thirty (30) days of the date of receipt of such notice, or of the date of such suspension, revocation, or cancellation, as the case may be, and any remedial measures it proposes to take or causes to be taken to restore such Approvals.

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 the indicators acceptable to the World Bank and set forth in the Project Implementation Manual. Each Project Report shall cover the period of one calendar quarter, 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 not later than forty five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

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. 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 Procurement Guidelines in the case of goods, works and non-consulting services, and Sections I and IV of the Consultant Guidelines in the case of consultants' services; and
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. **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 set forth in the Annex 2 to this Schedule; (b) Direct Contracting; (c) Shopping; and (d) Limited International Bidding.

**C. Particular Methods of Procurement of Consultants’ Services**

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

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

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, Operating Costs, non-consulting services and consultants’ services under Part 2 of the Project</td>
<td>6,250,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>6,250,000</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, except that withdrawals up to an aggregate amount not to exceed USD 1,000,000 may be made for payments made prior to this date but on or after June 1, 2016, for Eligible Expenditures.

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2022.
ANNEX TO SCHEDULE 2

National Competitive Bidding: Modifications to Procedures

The procedures applicable to the procurement of goods, works, and non-consulting services under contracts awarded on the basis of National Competitive Bidding shall be those of the Pelelangan Umum (Public Tendering) and Pemilihan Langsung / Pelelangan Sederhana (Simplified Tendering) methods as set forth in the Member Country’s Presidential Regulation No. 54/2010 and its subsequent amendments as of January 16, 2015, with the modifications set out below in order to ensure economy, efficiency, transparency, and broad consistency with the provisions of Section I of the Procurement Guidelines, pursuant to paragraph 3.3 of said Guidelines. The Pemilihan Langsung / Pelelangan Sederhana method shall apply to such procurement up to the financial thresholds specified in said Regulation. In the event of a conflict between the Member Country’s procedures and these modifications, the latter shall govern.

1. Procuring entities shall use the appropriate standard bidding documents acceptable to the Member Country and the World Bank. The provisions of Section 1.16 (Fraud and Corruption) of the Procurement Guidelines shall apply, and each bidding document and contract financed out of the proceeds of the Grant shall include provisions on matters pertaining to fraud and corruption as defined in paragraph 1.16(a) of said Guidelines and the contract provisions set out in paragraph 1.16(e) of said Guidelines.

2. Foreign bidders shall not be precluded from bidding. If a registration process is required, a foreign firm determined to be the lowest evaluated responsive bidder shall be given reasonable time for registration. Foreign bidders shall not be required to form a joint venture or sub-contract part of the supply of goods, non-consulting services, and works as a condition for submitting bids or the award of the contract. Bidding documents shall be made available to all international bidders.

3. No preference of any kind shall be given to any bidders.

4. Under the Pelelangan Umum method, bidders shall be allowed at least twenty-one (21) days from the date of the invitation to bid or the date of availability of bidding documents, whichever is later, to prepare and submit bids; this period shall be ten (10) days under the Pemilihan Langsung / Pelelangan Sederhana method.

5. Bids invited under the Pelelangan Umum method shall be submitted in one (1) envelope and evaluated using post-qualification.

6. No bidder shall be rejected merely on the basis of a comparison with the owner’s estimate and budget ceiling without the World Bank’s prior written concurrence.

7. Bid security, if it is required by the bidding documents, at the bidder’s option, shall be in the form of a letter of credit or guarantee from a reputable bank or other reputable financial institution and shall without exception follow the form provided for this purpose in the bidding documents.

8. All bids shall not be rejected and new bids solicited without the World Bank’s prior written concurrence.

9. Government-owned enterprises in Indonesia shall be eligible to participate provided that they comply with paragraph 1.10(b) of the Procurement Guidelines.
APPENDIX

Definitions

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


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

4. “Counterpart Funds” means a minimum amount of funds required for the Project to be provided by the Recipient, referred to in Section I.C of Schedule 2 to this Agreement.


6. “Environmental and Social Impact Assessment” or “ESIA” means an environmental and social impact assessment prepared by the Recipient in accordance with the ESMF pursuant to Section I.F.1 of Schedule 2 to this Agreement, and “ESIAs” means, collectively, all such assessments.

7. “Environmental and Social Management Framework” means the environmental and social safeguards management framework, dated December 14, 2016 and disclosed on the World Bank’s Infoshop on December 15, 2016, giving details of a program of actions, measures and policies designed to maximize the benefits accruing under the Project, avoid or mitigate any adverse impacts arising thereunder, or, if such adverse impacts cannot be avoided altogether, reduce such impacts to acceptable levels, as well as including grievance redress procedures.

8. “Environmental and Social Management Plan” means an environmental and social management plan, acceptable to the World Bank and consistent with the Environmental and Social Management Framework adopted for the purposes of an Exploration Sub-project, and giving details of the agreed actions and policies designed to maximize the benefits of the Exploration Sub-project, eliminate or offset any adverse environmental and social impacts, or reduce such impacts to acceptable levels, along with the procedural and institutional measures needed to implement such actions and policies; Such plan(s) may include where relevant sub-plans setting forth measures for: (a) avoiding or mitigating any adverse impacts on physical cultural resources as well as provisions for managing chance finds; and (b) managing specific and significant impact on biodiversity.
9. “Exploration Sub-project” means a set of activities under Part 1 of the Project to be carried out at a specific geothermal site selected for exploration drilling in accordance with the Project Implementation Manual.

10. “Indigenous Peoples” means those social groups in the Member Country’s territory that have a distinct, vulnerable, social and cultural identity, and that possess the following characteristics in varying degrees: (a) self-identification as members of a distinct indigenous cultural group and recognition of this identity by others; (b) collective attachment to geographically distinct habitats or ancestral territories in the Project area and to the natural resources in these habitats and territories; (c) customary cultural, economic, social, or political institutions that are separate from those of the dominant society and culture; and (d) an indigenous language.

11. “Indigenous Peoples Planning Framework” or “IPPF” means the indigenous peoples planning framework - incorporated in the ESMF document - giving details of a program of actions, measures and policies designed to facilitate a process of free, prior and informed consultation involving Indigenous Peoples in the design and implementation of every Exploration Sub-project, and to ensure that such Indigenous Peoples derive benefits from the Exploration Sub-project which are socially, economically and culturally appropriate, and gender and inter-generationally inclusive.

12. “Indigenous Peoples Plan” or “IPP” means each plan for an Exploration Sub-project, meeting the requirements of the Indigenous Peoples Planning Framework, that sets out the agreed measures to: (a) involve Indigenous Peoples, through a process of free, prior and informed consultation, in the design and implementation of each Exploration Sub-project in locations in which such people reside or make their living; (b) ensure that Indigenous Peoples affected by the Exploration Sub-project receive culturally appropriate social and economic benefits; and (c) when potential adverse effects on Indigenous Peoples are identified, those adverse effects are avoided, minimized, mitigated, or compensated for, in each case in a manner acceptable to the World Bank.

13. “Joint Committee” means the committee referred in Section I.A.1 of Schedule 2 to this Agreement.

14. “Land Acquisition and Resettlement Action Plan” or “LARAP” means a resettlement and rehabilitation action plan for an Exploration Sub-project giving details of the agreed provisions for compensation, rehabilitation and resettlement assistance to Affected Persons under the Exploration Sub-project, along with the procedural and institutional measures needed to implement such agreed provisions, acceptable to the World Bank, prepared and implemented pursuant to the Resettlement Policy Framework.

15. “Ministry of Energy and Mineral Resources” means the Member Country’s ministry responsible for energy or any successor thereto.

16. “Ministry of Finance” means the Member Country’s ministry responsible for finance or any successor thereto.
17. “Operating Costs” means the reasonable incremental operating costs under the Project incurred by the Recipient for purposes of Project management, implementation, and monitoring and evaluation, including office supplies and consumables, utilities, bank charges, communications, information and communication campaigns, mass media and printing services, vehicle rental, operation, maintenance, and insurance, office space rental, building and equipment maintenance, travel, lodging, and subsistence allowances, and salaries of contractual and temporary staff, but excluding salary and salary supplements of staff of the Recipient’s civil service.


19. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated December 15, 2016 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.

20. “Project Implementation Manual” means the manual referred to in Section I.B.2 of Schedule 2 to this Agreement, which sets forth inter alia: (a) institutional arrangements for the management of the Project (including allocation of responsibilities among various entities and their staff involved in Project implementation, yearly planning of activities and budget and time allocation for those activities); (b) internal control systems, financial management, accounting and audit procedures annexes; (c) detailed arrangements for the overall carrying out of the Project (including, inter alia, procurement, environmental and social management mechanisms and procedures) to be followed during Project implementation; (d) arrangement and procedures for identifying, developing and implementing Exploration Sub-projects; and (e) the guidelines and indicators for Project monitoring and evaluation.

21. “Project Management Unit” means the Recipient’s unit referred to in Section I.A.2 of Schedule 2 to this Agreement.

22. “Resettlement Policy Framework” means the resettlement policy framework incorporated in the ESMF setting forth the measures and actions to be taken during the implementation of the Project for the provision of compensation, rehabilitation and resettlement assistance to Affected Persons, as such framework may be amended from time to time with the prior written agreement of the World Bank.

23. “Safeguards Instruments” means, collectively, the Environmental and Social Management Framework, Environmental and Social Impact Assessment(s), Resettlement Policy Framework, Indigenous Peoples Planning Framework, Environmental and Social Management Plan(s), Land Acquisition and Resettlement Action Plan(s) and Indigenous Peoples Plan(s).