Global Environment Facility
Grant Agreement

(Energy Efficiency Project)

between

REPUBLIC OF BURUNDI

and

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

Dated June 28, 2012
GEF GRANT NUMBER TF012460

GLOBAL ENVIRONMENT FACILITY
GRANT AGREEMENT

AGREEMENT dated June 20, 2012, entered into between: REPUBLIC OF BURUNDI ("Recipient"); and 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

1.01. The Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated July 31, 2010 ("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 objective of the project described in Schedule 1 to this Agreement ("Project"). To this end, the Recipient shall cause the Project to be carried out by the Project Implementing Entity 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 one million eight hundred and eighteen thousand one hundred and eighty-two United States Dollars ($1,818,182) ("Grant" or "Financing") 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 GEF 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. Accordingly, in the event that any donor cancels or fails to pay any contributions under the trust fund to the World Bank for any reason, or that as a result of currency exchange variations the amount of funds available in the trust fund is insufficient for the purposes of the Grant, the Recipient shall bear the risk of such funding shortfall and the World Bank shall not have any liability whatsoever to the Recipient or to any third parties in respect of any expenditures or liabilities incurred by the Recipient or any third parties in connection with this Agreement which exceed the amount of funds made available to the World Bank by the donors for the purposes of the Grant.

Article IV
Additional Remedies

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

(a) The Project Implementing Entity's Legislation has been amended, suspended, abrogated, repealed, or waived so as to affect materially and adversely the ability of the Project Implementing Entity to perform any of its obligations under the Project Agreement.

(b) The World Bank has determined after the Effective Date referred to in Section 5.03 of this Agreement 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.

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 execution and delivery of the Legal Agreements on behalf of the Recipient and the Project Implementing Entity have been duly authorized or ratified by all necessary governmental and corporate action.

(b) The Subsidiary Agreement has been executed on behalf of the Recipient and the Project Implementing Entity, in a manner satisfactory to the World Bank.

(c) The Recipient has established the Project Steering Committee in accordance with the provisions of Section I.A.1 of Schedule 2 to this Agreement.

5.02. As part of the evidence to be furnished pursuant to Section 5.01 (a) of this Agreement, there shall be furnished to the World Bank an opinion or opinions satisfactory to the World Bank of counsel acceptable to the World Bank or, if the World Bank so requests, a certificate satisfactory to the World Bank of a competent official of the Recipient, showing on behalf of the Recipient and the Project Implementing Entity, that the Legal Agreements, to which it is a party has been duly authorized or ratified by, and executed and delivered on behalf of, such party and is legally binding upon such party in accordance with its terms.

5.03. 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 5.01 of this Agreement ("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 has ceased to exist.

5.04. Termination for Failure to Become Effective. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date 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 at the time responsible for finance.

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

Ministry of Finance and Economic Development Planning  
P.O. Box 1830  
Bujumbura  
Burundi

Telex:  Facsimile:
5135  257-22-22-38-27  
MINIFINBDI

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)
AGREE at Bujumbura, BURUNDI, as of the day and year first above written.

REPUBLIC OF BURUNDI

[Signature]

By

Authorized Representative

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

[Signature]

By

Authorized Representative
SCHEDULE 1

Project Description

The objective of the Project is to (i) develop and adopt selected policy frameworks for energy efficiency and (ii) selectively improve the energy efficiency of households and buildings in Bujumbura city.

The Project consists of the following parts:

Part A: Energy Efficiency Program

Provision of support to the implementation of an energy efficiency program, including (i) distribution of compact fluorescent lights and promotion of energy efficient products, (ii) implementation of a program of activities aimed at supporting the application of results generated from the audit of energy consumption financed by the MSWEIP, (iii) promotion of energy efficiency technologies and investments to large public institutions, private sector companies and the National Standardization Institute, and (iv) development of national guidelines for energy efficient technologies.

Part B: Project Management

Project coordination, management and monitoring, preparation of financial audits and periodic evaluations.
SCHEDULE 2

Project Execution

Section 1. Institutional and Other Arrangements

A. Institutional Arrangements

1. Project Steering Committee

(a) The Recipient shall establish and maintain, at all times during the implementation of the Project, a Project steering committee with a mandate, composition and resources satisfactory to the World Bank ("Project Steering Committee").

(b) Without limitation upon the provisions of paragraph (a) of Section 1.A.1 of this Schedule 2, the Project Steering Committee shall be chaired by a representative from the Recipient’s ministry at the time responsible for energy and minerals and shall be comprised of, inter alia, representatives of the Recipient’s ministries at the time responsible for finance, and trade and industry, the Project Implementing Entity’s director-general, and a representative from the National Standardization Institute.

(c) The Project Steering Committee shall meet at least annually and shall be responsible for Project oversight, including, inter alia, providing policy guidance and ensuring Project alignment with the Recipient’s overall energy improvement programs.

2. Project Implementation Unit

(a) The Recipient shall cause the Project Implementing Entity to maintain, throughout Project implementation, the Project Implementation Unit in form and substance and with functions and resources satisfactory to the World Bank.

(b) Without limitation upon the provisions of Paragraph (a) of Section 1.A.2 of this Schedule 2, the Project Implementation Unit shall at all times be comprised of qualified and experienced personnel in adequate numbers, and including, inter alia, a Project coordinator, a procurement specialist, a financial management specialist, an accountant, an electrical engineer, an environmental management specialist, a monitoring and evaluations specialist, and an administrative assistant, all with qualifications, experience and terms of reference acceptable to the World Bank.

(c) The Project Implementation Unit shall be responsible for the day-to-day Project coordination and implementation, including: (i) preparing
proposed annual work plans of activities for inclusion in the Project, and updating the Procurement Plan and related budgets and consolidating Project Reports; (ii) carrying out the Project financial management and Project procurement activities; and (iii) monitoring and evaluating the Project.

B. **Subsidiary Agreement**

1. To facilitate the carrying out of the Project, the Recipient shall make the proceeds of the Grant available to the Project Implementing Entity under a subsidiary agreement between the Recipient and the Project Implementing Entity, under terms and conditions approved by the World Bank (“Subsidiary Agreement”), which shall include the following:

   (a) The Project Implementing Entity shall perform all of its obligations under the Project Agreement.

2. The Recipient shall exercise its rights and carry out its obligations under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant, and, except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.

C. **Anti-Corruption**

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

D. **Project Implementation Manual**

1. The Recipient shall: (i) ensure that the Project is carried out in accordance with the Project Implementation Manual; and (ii) except as the World Bank shall otherwise agree, not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.

2. In the event of any conflict between the provisions of the Project Implementation Manual and those of this Agreement, the latter shall prevail.

E. **Safeguards**

1. The Recipient shall cause the Project Implementing Entity to implement the Project in accordance with the Environmental and Social Management Framework, and to that end, if any activity under the Project would require the adoption of any Supplemental Social and Environmental Safeguard Instrument, the Project Implementing Entity shall:
(a) prepare (A) such Supplemental Social and Environmental Safeguard Instrument in accordance with the Environmental and Social Management Framework; (B) furnish such Supplemental Social and Environmental Safeguard Instrument to the World Bank for review and approval; and (C) thereafter adopt such Supplemental Social and Environmental Safeguard Instrument prior to implementation of the activity; and

(b) thereafter take such measures as shall be necessary or appropriate to ensure compliance with the requirements of such Supplemental Social and Environmental Safeguard Instrument.

2. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall, for each Supplemental Social and Environmental Safeguard Instrument, cause the Project Implementing Entity to regularly collect, compile and furnish to the World Bank reports in form and substance satisfactory to the World Bank on the status of compliance with each Supplemental Social and Environmental Safeguard Instrument, as part of the Project Reports, giving details of:

(a) measures taken in furtherance of such Supplemental Social and Environmental Safeguard Instrument;

(b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such Supplemental Social and Environmental Safeguard Instrument; and

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

3. In the event that any provision of the Safeguards Instruments shall conflict with any provision under this Agreement, the terms of this Agreement shall prevail.

F. Annual Work Plans and Budgets

1. Not later than November 30 in each calendar year (or one month after the Effective Date for the first year of Project implementation), the Recipient shall cause the Project Implementing Entity to prepare and furnish to the World Bank:

(i) a draft annual work plan and budget for the Project (including Training and Operating Costs) for the subsequent calendar year of Project implementation, of such scope and detail as the World Bank shall have reasonably requested; as well as

(ii) any Supplemental Social and Environmental Safeguard Instruments which are required for the implementation of the activities included in the draft annual work plan and budget.
2. The Recipient shall afford the World Bank a reasonable opportunity to review such draft annual work plan and budget, and thereafter shall cause the Project Implementing Entity to carry out such annual work plan and budget during such subsequent calendar year as shall have been approved by the World Bank ("Annual Work Plan and Budget"). Only those activities that are included in an Annual Work Plan and Budget shall be eligible for financing out of the proceeds of the Grant.

3. For any training proposed to be included in an Annual Work Plan and Budget, the Recipient shall cause the Project Implementing Entity to, inter alia, identify:
   (a) particulars of the training envisaged; (b) the criteria for selection of the personnel to be trained, and such personnel if known; (c) the selection method of the institution or individuals conducting such training; (d) the institution conducting such training if identified; (e) the purpose and justification for such training; (f) the location and duration of the proposed training; and (g) the estimate of the cost of such training.

4. Annual Work Plans and Budgets may be revised as needed during Project implementation subject to the World Bank’s prior written approval.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. The Recipient shall cause the Project Implementing Entity to monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators acceptable to the World Bank. Each Project Report shall cover the period of one calendar quarter, 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 cause the Project Implementing Entity to 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 Project Implementing Entity in preparing the Completion Report, the Recipient shall cause the Project Implementing Entity to employ consultants whose qualifications, experience and terms of reference are acceptable to the World Bank.

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 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 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, non-consulting-services and consultants' services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

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

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

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

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

2. **Other Methods of Procurement of Goods and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods and non-consulting services for those contracts specified in the Procurement Plan: (a) Limited International Bidding (LIB); (b) National Competitive Bidding (NCB); (c) Shopping; (d) Direct Contracting; and (e) Procurement from United Nations Agencies.

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 (QBS); (b) Selection under a Fixed Budget (FBS); (c) Least-Cost Selection (LCS); (d) Selection Based on the Consultants' Qualifications (CQS); (e) Single Source Selection (SSS); and (f) Selection of Individual Consultants (IC).

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 (exclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, non-consulting services, consultants' services, Training and Operating Costs under Parts A and B of the Project</td>
<td>1,818,182</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>1,818,182</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 December 15, 2015.


APPENDIX

Definitions

1. “Annual Work Plan and Budget” means each annual work plan, together with the related budget, for the Project approved by the World Bank pursuant to the provisions of Section I.F of Schedule 2 to this Agreement.


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


5. “Environmental and Social Management Framework” or “ESMF” means the framework disclosed in Burundi and at the World Bank’s Infoshop on August 30, 2010, in form and substance satisfactory to the World Bank, setting out modalities to be followed in assessing the potential adverse environmental and social impact associated with activities to be implemented under the Project, and the measures to be taken to offset, reduce, or mitigate such adverse impact.

6. “Environmental and Social Management Plan” or “ESMP” means a plan, approved by the World Bank for the Project, to be prepared by the Recipient, if as required by the ESMF, proposing appropriate mitigation, monitoring and institutional measures designed to mitigate potential adverse environmental and resettlement impacts, offset them, reduce them to acceptable levels or enhance positive impacts, as the same may be amended from time to time with the agreement of the World Bank.

7. “GEF” or “Global Environmental Facility” means the trust fund established in 1991 by a resolution of the World Bank executive directors as a program to assist in the protection of the global environment and to promote environmentally sound and sustainable economic development.

8. “Legal Agreements” means the Grant Agreement, the Project Agreement and the Subsidiary Agreement.

10. "National Standardization Institute" means the Recipient's public institution for standards, quality management, control and assurance (the Bureau Burundais de Normalisation et Contrôle de la Qualité (BBN)), created by the Recipient’s Decree No. 1-17 dated May 7, 1992.

11. "Operating Costs" means incremental recurrent expenditures incurred on account of Project implementation, including: local contractual support staff salaries; travel expenditures and other travel-related allowances; equipment rental and maintenance; vehicle operation (including fuel), maintenance and repair; office rental and maintenance, materials and supplies; and utilities, media information campaigns and communications' expenses, but excluding the salaries of officials and public servants of the Recipient’s civil service.


13. "Procurement Plan" means the Recipient’s procurement plan for the Project, dated, December 20, 2011 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.

14. "Project Agreement" means the agreement between the World Bank and the Project Implementing Entity, of even date herewith, relating to the implementation of the Project, as such agreement may be amended from time to time.

15. "Project Implementing Entity" means the Water and Electricity Production and Distribution Company (Régie de Production et de Distribution d'Eau et d'Electricité), established and operating pursuant to the Project Implementing Entity’s Legislation, as said text may be amended from time to time.


17. "Project Implementation Manual" means the Recipient’s manual, dated July 2008 and adopted by the Recipient on September 22, 2008 and referred to in Section 1.D of Schedule 2 to this Agreement, as agreed with the World Bank, outlining implementation, organizational, administrative, monitoring and evaluation, environmental and social monitoring and mitigation, financial management, disbursement, and procurement arrangements for purposes of Project implementation, as the same may be amended from time to time with the written concurrence of the World Bank, and such term includes any schedules to said manual.
18. "Project Implementation Unit" means the unit referred to in Section 1.A.2 of Schedule 2 of this Agreement and maintained by the Project Implementing Entity under and for the purpose of implementing the MSWEIP as required under the Financing Agreement between the Recipient and the International Development Association, dated June 25, 2008.

19. "Project Steering Committee" means the committee referred to in Section 1.A.1 of Schedule 2 of this Agreement.

20. Safeguards Instruments" means the ESMF and any Supplemental Social and Environmental Safeguard Instruments.

21. "Subsidiary Agreement" means the agreement referred to in Section 1.B of Schedule 2 to this Agreement pursuant to which the Recipient shall make the proceeds of the Grant available to the Project Implementing Entity.

22. "Supplemental Social and Environmental Safeguard Instruments" means any ESMP or other supplemental social and environmental safeguard instruments as required under the terms of the ESMF.

23. "Training" means the training of persons under the Project, including through seminars, workshops, knowledge sharing activities and study tours, and covers the following costs associated with such activity: travel and subsistence costs for training participants, costs associated with securing the services of trainers, rental of training facilities, preparation and reproduction of training materials, and other costs directly related to training preparation and implementation.