Ozone Projects Trust Fund

Grant Agreement

(Hydrochlorofluorocarbon (HCFC) Phase-out in the Polyurethane Foam Sector Project)

between

REPUBLIC OF INDONESIA

and

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

July 11, 2013
OZONE PROJECTS TRUST FUND
GRANT AGREEMENT

AGREEMENT, dated July 11, 2013, between the Republic of Indonesia ("Recipient") and the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("World Bank"), acting as an implementing agency of the Multilateral Fund for the Implementation of the Montreal Protocol on Substances that Deplete the Ozone Layer to the Vienna Convention for the Protection of the Ozone Layer ("Montreal Protocol") ("Multilateral Fund") and trustee of grant funds provided by the Parties to the Montreal Protocol into the Ozone Projects Trust Fund ("OTF").

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, through the Ministry of Environment, 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 OTF 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 exceeding two million seven hundred fourteen thousand one hundred and eighty seven United States Dollars (US$2,714,187) ("OTF Grant") to assist in financing the Project.

3.02. The Recipient may withdraw the proceeds of the OTF Grant in accordance with Section IV of Schedule 2 to this Agreement.

3.03. The OTF Grant is funded out of the above mentioned trust fund for which the World Bank receives periodic fund transfers from the Multilateral Fund. In accordance with Section 3.02 of the Standard Conditions, the World Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the Multilateral Fund, and the Recipient’s right to withdraw the OTF 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 the Minister of Finance.

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

Directorate General of Development Management
Ministry of Finance
Gedung Frans Seda
Jl. Dr. Wahidin Raya No 1
Jakarta 10710
Indonesia

Cable address: FINMINISTRY
Jakarta

Telex: 45799 DJMLN-IA

Facsimile: 62-21-381-2859

44319 DEPKEU-IA
4.03. The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

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

Cable: INTBAFRAD
Telex: 248423 (MCI) or 64145 (MCI)
Facsimile: 1-202-477-6391

AGREEEd at Jakarta, Republic of Indonesia, as of the day and year first above written.

REPUBLIC OF INDONESIA

By

[Signature]

Authorized Representative

Name: Robert Pakpahan
Title: Expert Staff of the MOF on State Revenue with Full Mandate as DG of Debt Management

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

By

[Signature]

Authorized Representative

Name: Josephine Bassinette
Title: Acting Country Director
SCHEDULE 1

Project Description

The objective of the Project is to reduce the consumption of HCFC-141b in the foam sector in order to contribute to the Recipient's efforts to comply with Indonesia's HCFC phase-out obligations under the Montreal Protocol.

The Project consists of the following parts:

Part A: Investment in HCFC-141b Consumption Reductions in the Polyurethane (PU) Foam Sector

Provide investment support in the form of Financial Incentives to about twenty six (26) foam producing companies in the refrigeration appliances, refrigerated trucks and integral skin foam sub-sectors, to phase out at least 360 MT of HCFC-141b and introduce alternative, non-HCFC consuming production technologies.

Part B: Technical Assistance and Policy Support

(i) Provision of technical assistance to assist the Recipient to develop and implement (a) policies preventing the establishment of new and the expansion of existing PU foam manufacturing facilities using HCFC-141b; and (b) guidelines, policies and regulations supporting the introduction of new technologies that replace the use of HCFC-141b.

(ii) Provision of technical assistance, including training and workshops for the benefit of selected foam producing companies, (a) to inform them about the objective of the Project and the implementation arrangements, including, inter alia, Project cycle steps, application criteria for Financial Incentives, Project supervision, commissioning and reporting requirements, and procurement, financial management and environmental and social safeguards provisions, as necessary; and (b) to assist them with the preparation of conversion plans and proposals, equipment specifications, Project implementation and preparation of completion reports.

(iii) Provision of technical assistance to the Project Management Unit to support said unit in (a) evaluating alternative technologies, Project designs, review, supervision, verification and other technical activities and overall Project management, and (b) delivering awareness campaigns to target groups on the need to phase out HCFCs and on current and future regulatory measures.

Part C: Capacity Building and Project Management

Provide support for the establishment of a Project Management Unit fully responsible for the implementation of the Project, including Project management and monitoring and evaluation, including verification of implementation of the Foam Technology Replacement Subprojects under Part A of the Project.
SCHEDULE 2
Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient, through the Ministry of Environment, particularly the National Ozone Unit with assistance of the Project Management Unit, shall be responsible for the management, implementation, and monitoring and evaluation of the Project.

2. To this end, the Recipient, through the Ministry of Environment, shall maintain, throughout Project implementation, the Project Management Unit, with an institutional framework, functions, and resources, including competent personnel in adequate numbers, satisfactory to the Recipient and the World Bank.

3. To facilitate the overall implementation of the Project and verification of the implementation of Part A of the Project, the Recipient shall, through the Ministry of Environment, appoint, not later than four (4) months after the date of this Agreement, a technical consultant(s) with qualifications, experience, and terms of reference satisfactory to the Recipient and the World Bank, and in accordance with the provisions of Section III of this Schedule.

4. The Recipient shall ensure that the Ministry of Environment collaborates with the Ministry of Industry, Ministry of Trade and the Ministry of Finance, in particular the Directorate General of Customs and Excise, in implementing Part B of the Project.

B. Project Operations Manual

1. The Recipient shall:

   (a) ensure that the Project is carried out in accordance with the Project Operations Manual; and

   (c) except as the World Bank shall otherwise agree in writing, not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the Project Operations Manual or any provision thereof.

2. In the event of a conflict between the provisions of the Project Operations Manual and those of this Agreement, the latter shall govern.

C. Project Implementation Plan:

1. The Recipient shall:

   (a) ensure that the Project is carried out in accordance with the Project Implementation Plan, prepared for the Project period covering the Recipient’s Fiscal Years 2013 and 2014;
(b) ensure that a Project implementation plan for the remainder of the Project period is prepared, not later than December 31, 2014; and

(c) except as the World Bank shall otherwise agree in writing, not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the Project Implementation Plans or any provision thereof.

2. In the event of a conflict between the provisions of the Project Implementation Plans and those of this Agreement, the latter shall govern.

D. Financial Incentives; Verification

1. The Recipient shall provide Financial Incentives to the Financial Incentive Beneficiaries under the Foam Technology Replacement Agreements between the Recipient, acting through the Ministry of Environment, and each Financial Incentive Beneficiary, in accordance with the verification requirements and criteria, and on the terms set forth in the Annex to this Schedule and the Project Operations Manual.

2. Notwithstanding paragraph D.1 above, the Recipient shall: (i) verify the implementation and completion of the Foam Technology Replacement Subprojects under Part A of the Project, and thereafter prepare Foam Technology Replacement Subprojects Verification Reports for each said subproject; and (ii) make the Financial Incentives available to the Financial Incentive Beneficiaries in accordance with the disbursement conditions and payment arrangements set out in Section IV, paragraph 1(b) of the Annex to Schedule 2, and detailed further in the Foam Technology Replacement Agreement and the Project Operations Manual, only after it has prepared the said reports for each Foam Technology Replacement Subproject.

E. Safeguards

1. The Recipient shall carry out the Project in accordance with the provisions of the Environmental Management Framework and any Environmental Management Plans, 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, said instruments or any provision thereof.

2. In the event of a conflict between the provisions of either the Environmental Management Framework or any Environmental Management Plan and those of this Agreement, the latter shall govern.

3. The Recipient shall, for the purposes of each Foam Technology Replacement Subproject, and prior to the award of a contract for the implementation thereof, carry out a screening of the Foam Technology Replacement Subprojects for any potential environmental impacts and have any Environmental Management Plan required under the Environmental Management Framework:
(a) prepared in accordance with the provisions of the Environmental Management Framework, on the basis of the Environmental Management Plan template included in said Framework, and in form and substance satisfactory to the Recipient and the World Bank; and

(b) adopted and locally disclosed.

4. The Recipient shall ensure that any contract for works under a Foam Technology Replacement Subproject includes the obligation of the respective contractor to implement the Environmental Management Framework and any Environmental Management Plan.

5. The Recipient shall ensure that no land acquisition or Involuntary Resettlement is carried out under the Project.

6. Without limitation upon its other reporting obligations under Section II.A.1 (a) of this Schedule, the Recipient shall take all measures necessary to regularly collect, compile, and submit to the World Bank, as part of the Project Reports, information on the status of compliance with the Environmental Management Framework and any Environmental Management Plans, providing details of:

(a) measures taken in furtherance of said instruments;

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

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

F. 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”).

G. 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 Project is supported by the Multilateral Fund under the Montreal Protocol.

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 Executive Committee 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. (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators set forth below in sub-paragraph (b) of this paragraph, and shall be furnished to the World Bank not later than forty-five (45) days after the end of the period covered by such report.

   (b) The performance indicators referred to above in sub-paragraph (a) consist of the following:

      (i) 2013 and 2015 HCFC-141b import quotas are met;

      (ii) Avoided CO₂ emissions as a result of the conversion to low GWP technology for the PU foam sector;

      (iii) Number of Foam Technology Replacement Agreements with Financial Incentive Beneficiaries signed;

      (iv) Issuance of annual import quota of HCFC-141b;

      (v) Number of technical workshops, training events and awareness activities conducted; and

      (vi) Compliance with reporting requirements.

2. The Recipient shall prepare the Completion Report for the Project 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 (6) 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 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 (1) fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six (6) 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 OTF Grant shall be procured in accordance with the requirements set forth or referred to in:


   (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 methods 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 and works 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 and works for those contracts specified in the Procurement Plan: (a) Shopping; and (b) Well-established Private Sector Procurement Methods or Commercial Practices 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) Selection based on Consultants’ Qualifications; (b) Single-source Selection of consulting firms; (c) Selection of Individual Consultants; and (d) 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 OTF Grant Proceeds**

A. **General**

1. The Recipient may withdraw the proceeds of the OTF 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 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 OTF Grant ("Category"), the allocations of the amounts of the OTF 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 OTF Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Financial Incentives under Part A of the Project</td>
<td>2,453,000</td>
<td>100% of the amounts disbursed</td>
</tr>
<tr>
<td>(2) Goods, non-consulting services, consultants' services, Training and Operating Costs under Parts B and C of the Project</td>
<td>261,187</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>2,714,187</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 June 30, 2016.
ANNEX TO SCHEDULE 2

Foam Technology Replacement Subprojects

I. The Foam Technology Replacement Subproject refers to activities that replace, or assist with the replacement of, existing HCFC-141b-based foam production technology with HCFC-free technology in foam enterprises selected in accordance with the requirements of the Project Operations Manual.

II. Review

The Recipient shall, through the Project Management Unit, assisted by the technical consultant(s) referred to in Section I.A.3 of Schedule 1 to this Agreement, review and approve applications for Financial Incentives, and thereafter monitor and evaluate the Foam Technology Replacement Subprojects, in accordance with the provisions of this Annex, the Project Operations Manual and the Environmental Management Framework.

III. Criteria and Procedures

The Recipient shall provide a Financial Incentive to a Financial Incentive Beneficiary in accordance with criteria and procedures acceptable to the Recipient and the World Bank and set forth in the Project Operations Manual, which shall include those set forth below.

1. The Financial Incentive Beneficiary:

   (a) holds legal title to the relevant company, owns the existing and the replacement foam equipment, has obtained the required operating permits, and is the applicant on the record for a Financial Incentive;

   (b) updates its standard operating procedures for the new technology that replaces the use of HCFC equipment, as part of the implementation of the Foam Technology Replacement Subprojects;

   (c) has submitted a funding request along with the required supporting documents, including a Foam Technology Replacement Proposal, and for those Financial Incentive Beneficiaries converting to cyclo-pentane, have submitted Environmental Management Plans;

2. has made available, counterpart funding for the completion of its respective Foam Technology Replacement Subproject.

IV. Terms and Conditions

1. The Recipient shall provide each Financial Incentive under a Foam Technology Replacement Agreement between the Recipient, acting through the Ministry of Environment, and the Financial Incentive Beneficiary on terms and conditions approved by the Recipient, which shall include the following:

   (a) the amount of the Financial Incentive provided on a grant basis;
for the Financial Incentive Beneficiaries identified to receive Financial Incentives (i) below one hundred thousand United States Dollars (U.S.$100,000) equivalent, a fixed payment amount agreed in each Foam Technology Replacement Agreement shall be made upon completion and thereafter verification of the Foam Technology Replacement Subproject by the technical consultant(s) referred to in Section I.A.3 of Schedule 2 to the Agreement, satisfactory to the Recipient and the World Bank; and (ii) over one hundred thousand United States Dollars (U.S.$100,000), payments shall be made in accordance with disbursement conditions and installment arrangements specified in the Foam Technology Replacement Agreements.

(c) the right of the Recipient to suspend or terminate the right of the Financial Incentive Beneficiary to use the proceeds of the Financial Incentive, or obtain a refund of all or any part of the amount of the Financial Incentive then withdrawn, upon the Financial Incentive Beneficiary's failure to perform any of its obligations under the Foam Technology Replacement Agreement; and

(d) the obligation of the Financial Incentive Beneficiary to:

(i) carry out the Foam Technology Replacement Subproject with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental, and social standards and practices satisfactory to the Recipient and the World Bank, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of grant proceeds other than the Recipient, the Project Operations Manual, the Environmental Management Framework, and any Environmental Management Plan;

(ii) prepare in form and substance satisfactory to the Recipient and the World Bank and in accordance with Section I.E of Schedule 2 to this Agreement, any Environmental Management Plan required under the Environmental Management Framework;

(iii) undertake, in accordance with the provisions of the Environmental Management Framework and any Environmental Management Plan, proper disposal of obsolete foaming equipment, collection and destruction or reuse of the equipment.

(iv) ensure that any contract for works under the Foam Technology Replacement Subproject includes the obligation of the respective contractor to implement the Environmental Management Framework and any Environmental Management Plan;

(v) ensure that no land acquisition or Involuntary Resettlement is carried out under the Foam Technology Replacement Subproject;

(vi) provide, promptly as needed, the resources required for the purpose of the Foam Technology Replacement Subproject;
(vii) procure goods and services towards which the Financial Incentive will be applied in accordance with the provisions of Section III of this Schedule and the Project Operations Manual;

(viii) (A) maintain accounts and records acceptable to the Recipient and the World Bank and adequate to reflect the operations, resources, and expenditures related to the Foam Technology Replacement Subproject; and (B) at the Recipient's or the World Bank's request, have such accounts and records audited by independent auditors acceptable to the Recipient and the World Bank, in accordance with consistently applied auditing standards acceptable to the Recipient and the World Bank, and promptly furnish the accounts and records as so audited to the Recipient and the World Bank;

(ix) prepare and furnish to the Recipient, completion reports no later than three (3) months after completion of the Foam Technology Replacement Subproject, in form and substance satisfactory to the Recipient, and as specified in the Project Operations Manual.

(x) enable the Recipient and the World Bank to inspect the Foam Technology Replacement Subproject, its operation, and any relevant records and documents; and

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

2. The Recipient shall exercise its rights under each Foam Technology Replacement Agreement in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the OT Grant. Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive any Foam Technology Replacement Agreement or any of its provisions.
APPENDIX
Definitions

1. "Directorate General of Customs and Excise" means the office responsible for customs and excise within the Recipient's Ministry of Finance, or any successor thereto.

2. "Environmental Management Framework" means the Recipient's framework, disclosed on April 4, 2013, agreed with the World Bank and setting out mitigation, enhancement, monitoring, and institutional measures, including capacity building through training, that have been identified by the Recipient to eliminate any adverse environmental impacts of the Project, offset them, or reduce them to acceptable levels, or enhance positive impacts, as the same may be modified from time to time with the prior written agreement of the World Bank, and such term includes any schedules or annexes to such framework.

3. "Environmental Management Plan" means the plan to be prepared for the purpose of the certain Foam Technology Replacement Subprojects (as hereinafter defined) by a Financial Incentive Beneficiary (as hereinafter defined), as specified in the Project Operations Manual (as hereinafter defined), and in accordance with the provisions of the Environmental Management Framework, agreed with the World Bank, and such term includes any schedules or annexes to such plan.

4. "Financial Incentives" means a fixed subsidy to be provided to each Financial Incentive Beneficiary, and determined or set criteria as specified in the Project Operations Manual.

5. "Financial Incentive Beneficiary" means a foam enterprise owner meeting specific criteria set forth in the Project Operations Manual who is or has been selected to be the beneficiary of a Financial Incentive and party to a Foam Technology Replacement Agreement.

6. "Fiscal Year" means the Recipient's fiscal year which commences on January 1 of each calendar year and ends on December 31 of the same calendar year.

7. "Foam Technology Replacement Agreement" means an agreement, referred to in Section I.D of the Annex to Schedule 2 of this Agreement, between the Recipient, acting through the Ministry of Environment, and a Financial Incentive Beneficiary, setting forth the terms and conditions governing the financial Incentives, and such term includes any annexes or schedules to such agreement.

8. "Foam Technology Replacement Subprojects" means a specific foam technology replacement activity undertaken under Part A of the Project by a Financial Incentive Beneficiary, and in respect of which a Financial Incentive has been or is proposed to be provided in accordance with the criteria and procedures and on the terms set forth in Sections I and II, respectively, of the Annex to Schedule 2 to this Agreement and in further detail in the Project Operations Manual.

9. "Foam Technology Replacement Subprojects Verification Reports" means the verification reports referred to in Schedule 2, Section I.D.2 of the Agreement, to be prepared by the Project Management Unit (as hereinafter defined) to confirm the completion of the Foam Technology Replacement Subprojects in accordance with the Foam Technology Replacement Agreement.
10. "Involuntary Resettlement" means the following caused on account of Project implementation: (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 the affected 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 the affected person.


12. "Ministry of Industry" means the Recipient’s ministry responsible for the industry sector, or any successor thereto.

13. "Ministry of Trade" means the Recipient’s ministry responsible for the trade sector, or any successor thereto.

14. "Operating Costs" means the reasonable costs of incremental expenditures under the Project, incurred by the Recipient for purposes of Project implementation, management, and monitoring and evaluation, on account of utilities and supplies, bank charges, communications, vehicle operation, maintenance, and insurance, office space rental, building and equipment maintenance, public awareness-related publicity and media expenses, travel and subsistence, and salaries of contractual and temporary staff, but excluding salaries, bonuses, fees, and honoraria of members of the Recipient’s civil service.

15. "Project Management Unit" means the unit responsible for the overall implementation of the Project and referred to in Schedule 2, Section I.A.2 of the Agreement.

16. "Project Operations Manual" means the Recipient’s manual, dated May 31, 2013, agreed with the World Bank and setting out terms, procedures and conditions for the carrying out of the Project, including: the procedures for identification, preparation, appraisal and implementation of Foam Technology Replacement Subprojects, the criteria for eligibility of Financial Incentive Beneficiaries to carry out Foam Technology Replacement Subprojects, the indicators for the monitoring of the progress of the Project, and organizational, administrative, monitoring and evaluation, environmental and social monitoring and mitigation, financial management, disbursement, and procurement arrangements as such Manual may be amended from time to time with the prior written agreement of the World Bank, and such term includes any annexes or schedules to such manual.

17. "Project Implementation Plan" means the plan dated March 24, 2013 setting out the Project activities planned for implementation during the period of Fiscal Years 2013 and 2014, and referred to in Section I.C of Schedule 2 of this Agreement.

18. "Training" means seminars, workshops, and study tours, along with the cost of travel and subsistence for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials, and other activities directly related to course preparation and implementation.