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EU GRANT NUMBER TF0B1487

**European Commission - World Bank Partnership  
Programme Part III for Europe And Central Asia  
Programmatic Single-Donor Trust Fund  
Kosovo Energy Efficiency Fund – KEEF Activities**

**Grant Agreement**

**(Additional Financing - Energy Efficiency and Renewable Energy Project)**

**between**

**REPUBLIC OF KOSOVO**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION  
acting as administrator of the European Commission - World Bank Partnership  
Programme Part III for Europe and Central Asia Programmatic Single-Donor Trust Fund  
– Kosovo Energy Efficiency Fund – KEEF Activities**

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**EU GRANT NUMBER TF0B1487**

**EUROPEAN COMMISSION - WORLD BANK PARTNERSHIP PROGRAMME  
PART III FOR EUROPE AND CENTRAL ASIA PROGRAMMATIC SINGLE-DONOR  
TRUST FUND – KOSOVO ENERGY EFFICIENCY FUND - KEEF ACTIVITIES  
GRANT AGREEMENT**

AGREEMENT dated as of the Signature Date between REPUBLIC OF KOSOVO (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“IDA” or “Association” or “World Bank” or “Bank”) (acting as administrator of the European Commission - World Bank Partnership Programme Part III for Europe and Central Asia Programmatic Single-Donor Trust Fund – Kosovo Energy Efficiency Fund – KEEF Activities (TF073195)) for the purpose of providing additional financing for the Project (as described in Schedule 1 to this Agreement).

The Recipient and the Association hereby agree as follows:

**Article I  
Standard Conditions; Definitions**

- 1.01. The Standard Conditions (as defined in the Appendix to this Agreement) apply to and form 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 the Appendix 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 Kosovo Energy Efficiency Fund (“KEEF” or “Project Implementing Entity”) in accordance with the provisions of Article II of the Standard Conditions, Schedule 2 to this Agreement, and the Project Agreement.

**Article III  
The Grant**

- 3.01. The Bank agrees to extend to the Recipient a grant in an amount not to exceed nine million three hundred fifty-five thousand eight hundred eighty-six Euros (EUR 9,355,886) (“Grant”) to assist in financing the Project.

- 3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section III of Schedule 2 to this Agreement.
- 3.03. The Grant is funded out of the abovementioned trust fund for which the Association receives periodic contributions from the donor to the trust fund. In accordance with Section 3.02 of the Standard Conditions, the Association's payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donor under the abovementioned trust fund, and the Recipient's right to withdraw the Grant proceeds is subject to the availability of such funds.

#### **Article IV Additional Remedies**

- 4.01. *Additional Events of Suspension.* The Additional Events of Suspension referred to in Section 4.02 (k) of the Standard Conditions consist of the following, namely that:
- (a) The Recipient has taken or permitted to be taken, any action that would prevent or interfere with the performance by the Project Implementing Entity of its obligations under the Project Agreement;
  - (b) The Project Implementing Entity has failed to perform any obligation under the Project Agreement;
  - (c) The International Bank for Reconstruction and Development ("IBRD") or IDA has declared the Project Implementing Entity ineligible to receive proceeds of any financing made by IBRD or IDA, or otherwise to participate in the preparation or implementation of any project financed in whole or in part by IBRD or IDA (including as administrator of funds provided by another financier), as a result of:
    - (i) a determination by IBRD or IDA that the Project Implementing Entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by IBRD or IDA; and/or
    - (ii) a declaration by another financier that the Project Implementing Entity is ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the Project Implementing Entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier;
  - (d) As a result of events which have occurred after the date of this Agreement, an extraordinary situation has arisen which makes it improbable that the Project Implementing Entity will be able to perform its obligations under the Project Agreement;

- (e) The Energy Efficiency Law or any other legislation or regulation establishing and governing the operations of the Project Implementing Entity has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of Project Implementing Entity to perform any of its obligations under the Project Agreement; and
- (f) The Association has determined after the Effective Date referred to in Section 5.04 of this Agreement that prior to such date but after the date of this Agreement, an event has occurred which would have entitled the 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 Association has been furnished to the Association that the conditions specified below have been satisfied.
- (a) The execution and delivery of this Agreement on behalf of the Recipient and the Project Agreement on behalf of the Project Implementing Entity have been duly authorized or ratified by all necessary governmental and corporate action.
  - (b) The Subsidiary Agreement referred to in Section I.B.1 of Schedule 2 to this Agreement has been executed on behalf of the Recipient and the Project Implementing Entity.
  - (c) The Recipient, through KEEF, has prepared and adopted a KEEF Project Operations Manual, in accordance with Section I.B.2 of Schedule 2 to this Agreement, in form and substance satisfactory to the Association.
  - (d) The amendment to the Original Financing Agreement, of the same date as this Agreement, has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.
- 5.02. By signing the Grant Agreement, the Recipient Entity shall be deemed to represent and warrant that on the Signature Date, the Grant Agreement has been duly authorized by, and executed and delivered on behalf of, the Recipient and is legally binding upon the Recipient in accordance with its terms, except where additional action is required to make such Grant Agreement legally binding. Where additional action is required following the Signature Date, the Recipient shall notify the Bank when such additional action has been taken. By providing such notification, the Recipient shall be deemed to represent and warrant that on the date of such notification the Grant Agreement is legally binding upon the Recipient in accordance with its terms.

- 5.03. Except as the Recipient and the Association shall otherwise agree, this Agreement shall enter into effect on the date upon which the Association dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 (“Effective Date”). If, before the Effective Date, any event has occurred which would have entitled the Association to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the Association may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) 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 ninety (90) days after the date of this Agreement, unless the Association, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The Association 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 of Finance and Transfers.
- 6.02. For purposes of Section 7.01 of the Standard Conditions:
- (a) the Recipient’s address is:
- Minister of Finance and Transfers  
Ministry of Finance and Transfers  
Main Government Building, 11th floor  
Mother Teresa Street  
10000 Prishtina  
Republic of Kosovo; and
- (b) the Recipient’s Electronic Address is:
- Facsimile:  
383-38-213-113

6.03. For purposes of Section 7.01 of the Standard Conditions:

(a) the Association's address is:

International Development Association  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America; and

(b) the Association's Electronic Address is:

|                                |                |
|--------------------------------|----------------|
| Telex:                         | Facsimile:     |
| 248423 (MCI) or<br>64145 (MCI) | 1-202-477-6391 |

AGREED as of the Signature Date.

**REPUBLIC OF KOSOVO**

By



\_\_\_\_\_  
**Authorized Representative**

**Name:** Besnik Bislimi

**Title:** Minister of Finance and Transfers

**Date:** 03-Apr-2020

**INTERNATIONAL DEVELOPMENT ASSOCIATION  
acting as administrator of the European Commission - World Bank  
Partnership Programme Part III for Europe and Central Asia  
Programmatic Single-Donor Trust Fund - Kosovo Energy Efficiency  
Fund – KEEF Activities**

By

*Linda Van Gelder*

\_\_\_\_\_  
**Authorized Representative**

**Name:** Linda Van Gelder

**Title:** Country Director

**Date:** 02-Apr-2020

## **SCHEDULE 1**

### **Project Description**

The objectives of the Project are to: (a) reduce energy consumption and fossil fuel use in public buildings through energy efficiency and renewable energy investments; and (b) enhance the policy and regulatory environment for renewable energy and energy efficiency.

The Project consists of the following parts:

#### **Part 1. Energy Efficiency and Renewable Energy Investments in Public Buildings**

Promoting efficient use of energy in public buildings through:

- (a) carrying out energy efficient and renewable energy Subprojects in central government owned buildings through provision of works;
- (b) carrying out pilot energy efficient Subprojects in municipal government owned buildings to test the various financing options to develop a broader program for the municipal market through provision of works;
- (c) conducting technical studies and supervision, including conducting building energy audits, development of designs and bidding documents, and carrying out construction supervision and waste disposal studies; and
- (d) providing targeted training to design firms, construction companies and other energy efficient and renewable energy service providers and disseminating information on project impacts and results.

#### **Part 2. Policy and Regulatory Support for Renewable Energy and Energy Efficiency**

Strengthening the Recipient's policy and regulatory regime for renewable energy and energy efficiency including:

- (a) providing support to the Energy Regulatory Office to promote sustainable development of renewable energy generation capacity including:
  - (i) improving the renewable energy regulatory regime, including FiTs and consumption-based district heating tariffs;
  - (ii) streamlining the permitting, licensing processes and the mechanisms for monitoring licenses;
  - (iii) developing specific rules for (A) integrating renewable energy generation capacity into the grid, and (B) grid connection agreements;

- (iv) conducting analyses for socially conscious tariff reform including FIT cost recovery and tariff increase impacts on consumer affordability; and
- (v) carrying out assessments for renewable energy resources, through provision of technical advisory services, goods and Training; and
- (b) providing support to the MoED to create an enabling regulatory environment for energy efficiency implementation including:
  - (i) undertaking a technical review of available information and developing the operating procedures for establishing a sustainable municipal energy efficiency financing scheme to scale up the piloting of the energy efficiency Subprojects under Part 1 (b) of the Project; and
  - (ii) reviewing public procurement rules in the context of procuring energy efficient equipment and services and developing appropriate procurement guidelines, and developing an implementation plan to establish homeowner associations and piloting some energy efficient measures.

**Part 3. Project Implementation Support**

- (a) Establishing a Project Implementation Unit within KEEA (“KEEA PIU”) and recruiting staff for KEEA PIU to carry out procurement, financial management and monitoring and evaluation of the Project, with terms of reference acceptable to the Association.
- (b) Providing training to KEEA PIU staff on effective Project implementation, particularly capacity building on fiduciary aspects of the Project, and sustainability of Project activities and goals.
- (c)
  - (i) Establishing, and recruiting staff for, KEEF.
  - (ii) Providing training to, and capacity building of, KEEF staff on effective Project implementation, particularly the fiduciary aspects of the Project, and sustainability of Project activities and goals.
  - (iii) Developing and implementing: (A) a KEEF management information system (“MIS”) integrated with the financial MIS; and (B) detailed internal KEEF regulations related to fiduciary, staffing plan/human resources and other relevant aspects of Project implementation, all in line with KEEF regulations.

## SCHEDULE 2

### Project Execution

#### Section I. Institutional and Other Arrangements

##### A. Institutional Arrangements.

1. KEEF. The Recipient shall cause KEEF to implement the Project activities, and to this end, shall cause KEEF to: (a) maintain operations, all in a manner acceptable to the Association, for the satisfactory implementation of the Project; and (b) maintain staffing, with functions and responsibilities satisfactory to the Association, including ensuring prompt and efficient overall coordination with the various line ministries, municipalities and other beneficiaries on the day-to-day implementation of, and communication relating to, Project activities and results.
2. KEEF Board of Directors. The Recipient shall cause KEEF to maintain throughout the implementation of the Project, a Board of Directors (“BoD”) within KEEF with functions, as set forth in the Energy Efficiency Law, and as shall be satisfactory to the Association.
3. By no later than September 30 of each year of Project implementation, or such other date agreed to by the Association, the Recipient shall submit to the Association and BoD for review and approval, an annual investment plan for the implementation of Part 1 (b) of the Project, that includes an estimate of the annual investment and expenditure requirements and proposed sources of financing for each Project activity and/or Subproject.
4. Without prejudice to Section 2.01 of the Standard Conditions, the Recipient shall provide or cause to be provided, as promptly as needed, the balance of funds necessary to finance the eligible expenditures for Subprojects under Part 1 (b) of the Project.

##### B. Other Arrangements.

1. Subsidiary Agreement.
  - (a) To facilitate the carrying out of Part 1 (b) of the Project, the Recipient shall make the proceeds of the Grant available to KEEF under a subsidiary agreement (“Subsidiary Agreement”) between the Recipient and the KEEF, under terms and conditions approved by the Association, which shall include, *inter alia*, the obligation of KEEF to:
    - (i) carry out Part 1 (b) the Project in accordance with the KEEF Project Operations Manual and the provisions of the Anti-Corruption Guidelines, including, *inter alia*, detailed criteria and procedures for the carrying out of subproject selections, audits, designs, procurement and the related technical and administrative oversight, and all institutional, including

- fiduciary, measures approved by the BoD and acceptable by the Association, that have been identified as part of an action plan for KEEF;
- (ii) in furtherance of Section I.A.3 of this Agreement, prepare and submit to the Recipient an annual investment plan for the implementation of Part 1 (b) of the Project, that includes an estimate of the annual investment and expenditure requirements and proposed sources of financing for each Project activity and/or Subproject;
  - (iii) provide promptly as needed, any additional resources within its control required for the purpose of implementing the Project;
  - (iv) procure the goods, works, consultants' services and non- consulting services to be financed out of the Grant in accordance with the provisions of this Agreement;
  - (v) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with the Project indicators, the progress of the Project and the achievement of its objectives;
  - (vi) (A) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to the Project; (B) at the Association's or the Recipient's request, have such financial statements audited by independent auditors acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association; and (C) make such financial statements publicly available in a timely fashion and in a manner acceptable to the Association;
  - (vii) enable the Recipient and the Association to inspect the Project, its operation and relevant records and documents; and
  - (viii) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing.
- (b) The Recipient shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Grant. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

2. KEEF Project Operations Manual

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

- (a) the Project is carried out in accordance with a KEEF Project Operations Manual, which shall be prepared and adopted by KEEF no later than ninety (90) days from the Signature Date, in form and substance satisfactory to the Association, setting forth the responsibilities of to be carried out by KEEF for the implementation of Part 1 (b) of the Project; and
- (b) the KEEF Project Operations Manual, or any parts thereof, are not amended, waived, suspended or abrogated without the Association's prior written concurrence, and in case of any inconsistency between the provisions of the KEEF Project Operations Manual and those of this Agreement, the provisions of this Agreement shall prevail.

3. Municipal Government Sub-projects

In implementing Part 1 (b) of the Project, the Recipient shall cause KEEF to:

- (a) issue periodic letters of invitation to all the municipalities and provide them with information about the municipal Subprojects and request them to apply and propose the buildings to be renovated and rehabilitated to promote more efficient energy use;
- (b) select the municipalities ("Participating Municipalities") and the Subprojects to be financed by the Grant in accordance with eligibility criteria set forth in the KEEF Project Operations Manual which shall, *inter alia*, include the following requirements:
  - (i) the municipal Subproject selected to generate energy savings which meet the Agreed Levels of Indoor Comfort;
  - (ii) the buildings proposed by the Participating Municipality should:
    - A. be fully owned by the municipality, and structurally sound and have not had energy efficient renovations in the last ten (10) years and be at least five (5) years old;
    - B. not be candidates for office moves, closure or privatization; and
    - C. not be used for security or defense purposes, (e.g., police or prisons).

- (c) enter into an agreement (Municipal Agreement) with the Participating Municipality consistent with the model Municipal Agreement set forth in the KEEF Project Operations Manual, and including the following requirements:
  - (i) the obligation of the Recipient to provide part of the financing required to implement the Municipal Subproject to the Participating Municipality;
  - (ii) rights adequate to protect the interests of the Recipient and those of the Association, including the right to:
    - (A) suspend or terminate the right of the Participating Municipality to use the proceeds of the financing all or any part of the amount of financing then withdrawn, upon the Participating Municipality's failure to perform any of its obligations under the applicable contract; and
    - (B) require each Participating Municipality to: (1) carry out the Municipal Subproject with due diligence and efficiency and environmental and social standards and practices satisfactory to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines; (2) provide, promptly as needed, the resources required for the purpose; (3) procure the goods, works and services to be financed out of the financing in accordance with the provisions of the KEEF Project Operations Manual; (4) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress on the renovations of the buildings and the achievement of the objectives of the investments; (5) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to the Municipal Subproject; (6) at the Association's or the Recipient's request, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association; (7) enable the Recipient and the Association to inspect the records of the PM, its operation and any relevant records and documents; and (8) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing; and

- (d) exercise its rights under each Municipal Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Grant. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive any Municipal Agreement in connection with the municipalities or any of its provisions and in case of any inconsistency between the provisions of the Municipal Agreement and the provision of this Agreement, the provisions of this Agreement shall prevail.

4. Annual Work Plan and Budget

The Recipient shall cause KEEF to:

- (a) prepare and furnish to the Association not later than September 30 of each fiscal year during the implementation of the Project, a work plan and budget containing all activities proposed to be included in the Project during the following fiscal year (the relevant EMP) prepared in accordance with Section I.C.1 of Schedule 2 to this Agreement, and a proposed financing plan for expenditures required for such activities, setting forth the proposed amounts and sources of financing;
- (b) specify any training activities in each such proposed work plan and budget that may be required under the Project, including: (i) the type of training; (ii) the purpose of the training; (iii) the personnel to be trained; (iv) the institution or individual who will conduct the training; (v) the location and duration of the training; and (vi) the cost of the training;
- (c) the Recipient shall, through KEEF, afford the Association a reasonable opportunity to exchange views with the Recipient on each such proposed work plan and budget and shall thereafter ensure that the Project is implemented with due diligence during said following Fiscal Year in accordance with such work plan and budget as shall have been approved by the Association ("Annual Work Plan and Budget"); and
- (d) the Recipient shall not make or allow to be made any change to the approved Annual Work Plan and Budget without the Association's written prior approval.

5. Institutional Action Plan

The Recipient shall:

- (a) cause KEEF to implement the Project in accordance with the Institutional Action Plan; and
- (b) shall not make or allow to be made any change to such plan without Association's written prior approval.

**C. Safeguards**

1. The Recipient shall carry out, and cause KEEF to carry out, the Project in accordance with the provisions and recommendations of the Environmental and Social Framework (“ESMF”), and to this end, shall ensure compliance with the ESMF and the subsequently prepared Environmental and Social Management Plans (“ESMPs”), which shall be prepared in substance and in a manner acceptable to the Association and in accordance with the ESMF, furnished to the Association for review and approval, incorporated into the relevant bidding documents, and disclosed as required by the ESMF.
2. The Recipient shall ensure, and cause KEEF to ensure, throughout the implementation of the Project, that the ESMF and ESMPs are implemented in accordance with its respective terms, including application and implementation of the policies, procedures and arrangements therein set forth.
3. The Recipient shall not amend, suspend, abrogate, terminate or waive, or permit to be amended, suspended, abrogated, terminated or waived, any of the ESMF, and ESMP, or any provision of any one thereof, except with the prior written approval of the Association.
4. In case of a conflict between the ESMF or ESMP and the provisions of this Agreement, the provisions of this Agreement shall prevail.

**Section II. Project Monitoring, Reporting and Evaluation**

**A. Documents; Records**

In addition, and without limitation to the obligations set forth in Section 2.05 of the Standard Conditions, the Recipient shall ensure that:

- (a) all records evidencing expenditures under the Project are retained for seven (7) years and six (6) months after the Closing Date, such records to include: (i) this Agreement, all addenda thereof, and any amendments thereto; (ii) the Recipient’s financial and narrative progress reports submitted to the Association; (iii) the Recipient’s financial information related to the Grant, including audit reports, invoices and payroll records; (iv) the Recipient’s implementation documentation (including sub-agreements, procurement files, contracts, purchase orders); and (v) the corresponding supporting evidence referred to in Section 3.04 of the Standard Conditions; and
- (b) the representatives of the Association are: (i) able to examine all records referred to above in paragraph (a); (ii) provided all such information concerning such records as they may from time to time reasonably request; and (iii) able to disclose such records and information to the Donor(s).

**B. Project Reports**

The Recipient shall ensure that each Project Report is furnished to the Association not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester.

**Section III. 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; and (b) this Section; to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

| <b>Category</b>  | <b>Amount of the Financing Allocated (expressed in Euro)</b> | <b>Percentage of Expenditures to be Financed (exclusive of Taxes)</b> |
|--|--|---|
| (1) Subprojects under Part 1 (a) of the Project  | 0  | -   |
| (2) Subprojects under Part 1 (b) of the Project  | 7,555,886  | 54%   |
| (3) Goods, consultant services, and non-consulting services under Parts 1 (c) and 1 (d) procured by KEEF under the Project | 1,000,000  | 100%  |
| (4) Goods, consultant services, and non-consulting services under Parts 3 (c) of the Project                               | 800,000  | 100%  |
| (5) Operating Costs  | 0  | -   |
| <b>TOTAL AMOUNT</b>  | <b>9,355,886</b>   |   |

**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 Signature Date.
2. The Closing Date is December 30, 2022.

## APPENDIX

### Definitions

1. “Agreed Levels of Indoor Comfort” means the standardized comfort levels developed by the Ministry of Environment and Spatial Planning as determined by individual building energy audits and set forth in the KEEF Project Operations Manual.
2. “Annual Work Plan and Budget” means the work plan and budget prepared annually by the Recipient and approved by the Association in accordance with Section I.B.4 of Schedule 2 to this Agreement; and “Annual Work Plans” means more than one Annual Work Plan and Budget.
3. “Anti-Corruption Guidelines” means, for purposes of paragraph 2 of the Appendix to the Standard Conditions, 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, and as of July 1, 2016.
4. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
5. “Energy Efficiency Law” or “EE Law” means Law No. 06/L-079, approved by the Assembly of the Recipient on November 7, 2018.
6. “Environmental and Social Management Framework” or “ESMF” means the framework prepared and adopted by the Recipient, and disclosed in the Recipient’s territory on January 25, 2019, and on the Association’s website on January 29, 2020; said framework sets forth the rules, guidelines and procedures to assess environmental impacts of the Project’s activities and to define measures to reduce, mitigate or offset adverse environmental impacts and enhance the positive impacts of the Project’s activities, as the same shall be amended from time to time with the prior approval of the Association.
7. “Environmental and Social Management Plan” or “ESMP” means a site-specific environmental and social management plan, prepared in respect to each activity under the Project pursuant to which the ESMF of said activity requires an ESMP; such plan shall be prepared in accordance with the ESMF pursuant to the provisions of Section 1.C of Schedule 2 to this Agreement; and “ESMPs” means more than one ESMP.
8. “FiTs” or “Feed in Tariffs” means preferential power purchase pricing and contracting mechanisms for renewable energy power producers to promote renewable energy technologies.
9. “Institutional Action Plan” means the plan referred to in Section I.B.5 of Schedule 2 to this Agreement, dated December 19, 2019, agreed between the Association and the Recipient, which includes, *inter alia*, measures to ensure: (a) fiduciary aspects of

the Project are satisfactory; and (b) KEEF's capacity to carry out Project activities covering staffing recruitment, accounting and financial management, procurement, technical, and legal aspects of the Project implementation.

10. "KEEF Board of Directors" or "BoD" means the main governance body responsible for the overall oversight of KEEF, established pursuant to the Energy Efficiency Law.
11. "KEEF Project Operations Manual" means the manual to be prepared, and adopted by KEEF, and accepted by the Recipient, including all appendices and schedules thereto, satisfactory to the Association, which sets forth the policies and procedures that apply to the carrying out of the Parts of the Project by KEEF, including, *inter alia*: (a) rules, methods, guidelines and procedures; (b) the implementation arrangements and staffing requirements for KEEF; (c) the estimated implementation schedule for the Project; (d) the procedures for the subproject cycle (identification to commissioning); (e) model MOU, model Municipal Agreement for renovation of buildings in municipalities; (f) the procedures for accessing, disbursing and accounting for funds under the Project; (g) the procedures for Project monitoring, supervision and evaluation, including the format and content of the Project Reports to be submitted by KEEF; and (h) the procedures for financial management and procurement, referred to in the Standard Conditions.
12. "Kosovo Energy Efficiency Fund" or "KEEF" means an entity legally established through provisions under the EE Law, or any legal successor or successors thereto.
13. "MoED" means the Recipient's Ministry of Economic Development or its legal successor thereto.
14. "Ministry of Finance and Transfers" means the Recipient's ministry of the same name or its legal successor thereto.
15. "Municipal Agreement" means an agreement entered into between the Recipient and the Participating Municipality (as hereinafter defined) and referred to in Section 1.B.3(c) of Schedule 2 to this Agreement.
16. "Municipality" means a basic unit of local government established and operating pursuant to the Recipient's law on Local Self Government, No. 03/L-040 or its legal successor thereto.
17. "Operating Costs" means the reasonable incremental expenses under the Project, and based on the Annual Work Plan and Budget, consisting of expenditures for communications, translations, interpretation, advertising, lodging and per diem, (excluding the salaries of officials of the Recipient's civil servants).
18. "Original Financing Agreement" means the agreement, dated January 15, 2015, signed between the Recipient and the International Development Association for the Energy Efficiency and Renewable Energy Project (Credit No. 5508-XK).

19. "Participating Municipalities" or "PM" means those municipalities which have met the eligibility criteria to participate in the pilot energy efficiency investment program for municipalities under Part 1(b) of the Project.
20. "Procurement Regulations" means, for purposes of paragraph 20 of the Appendix to the Standard Conditions, the "World Bank Procurement Regulations for IPF Borrowers", dated July 2016, revised November 2017 and August 2018.
21. "Project Agreement" means the agreement between the Association and the Project Implementing Entity relating to the implementation of Part 1 (b) of the Project, as such agreement may be amended from time to time. "Project Agreement" includes the Standard Conditions as applied to the Project Agreement, and all appendices, schedules and agreements supplemental to the Project Agreement.
22. "Project Implementing Entity" means Kosovo Energy Efficiency Fund or KEEF.
23. "Signature Date" means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to "the date of the Grant Agreement" in the Standard Conditions.
24. "Standard Conditions" means the "International Bank for Reconstruction and Development and International Development Association Standard Conditions for Grant Financing Made by the Bank out of Trust Funds", dated February 25, 2019.
25. "Subprojects" means renewable energy and energy efficient investments to be carried out at selected sites and to be financed out of the proceeds of the Grant under Part 1(b) of the Project.
26. "Training" means the reasonable costs associated with the training, workshop and study tour participation of personnel involved in Project activities, as specified in the Annual Work Plan and Budget, said costs to consist of travel and subsistence for training, workshop and study tour participants, costs associated with securing the services of trainers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training course, workshops or study tour preparation and implementation (but excluding costs of consulting services).