Global Environment Facility
Grant Agreement
(Sustainable Energy Technologies Development Project)

among

UNITED MEXICAN STATES

and

NACIONAL FINANCIERA, S.N.C., I.B.D

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
acting as an Implementing Agency of the Global Environment Facility
GLOBAL ENVIRONMENT FACILITY
GRANT AGREEMENT

AGREEMENT dated as of the Signature Date, (as defined in the Appendix to the Grant Agreement) entered into among:

UNITED MEXICAN STATES ("Recipient"), represented by Secretaria de Hacienda y Crédito Público ("SHCP"), and Secretaria de Energia ("SENER") acting as the Recipient’s executing agency for purposes of the Grant;

NACIONAL FINANCIERA, S.N.C., I.B.D. ("NAFIN"), acting as the Recipient’s financial agent for the purposes of the Grant; and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("World Bank"), acting as an implementing agency of the Global Environment Facility ("GEF").

The Recipient, NAFIN and the World Bank hereby agree as follows:

Article I
Standard Conditions; Definitions


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 SENER, shall carry out the Project in accordance with the provisions of Article II of the Standard Conditions and the Mandato Agreement.

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, through SENER, 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 sixteen million eight hundred eighty thousand seven hundred thirty four United States Dollars ($16,880,734) ("Grant") to assist in financing the Project.

3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement. Unless the Recipient’s Representative set forth in Section 6.01 of this Agreement shall otherwise inform the World Bank, the Recipient representative for purposes of taking any action required or permitted to be taken pursuant to said Section is NAFIN’s Director of International Financial Institutions (Director de Organismos Financieros Internacionales of NAFIN).

Article IV
Additional Remedies

4.01. The Additional Event of Suspension referred to in Section 4.02 (k) of the Standard Conditions consists of, namely, that 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 Signature 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 has 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 that the conditions specified below have been satisfied:

(a) the execution and delivery of this Agreement, on behalf of the Recipient and of NAFIN, has been duly authorized or ratified by all necessary governmental and corporate actions; and

(b) the Mandato Agreement has been duly executed by the parties thereto.

5.02. As part of the evidence to be furnished pursuant to Section 5.01 of this Agreement, there shall be furnished to the World Bank:

(a) an opinion or opinions satisfactory to the World Bank of counsel acceptable to the World Bank, showing that, on behalf of the Recipient, through SENER and NAFIN this Agreement has been duly authorized or ratified by, and executed and delivered on behalf of the Recipient, through SENER and
NAFIN and is legally binding upon each such party in accordance with its terms; and

(b) an opinion or opinions satisfactory to the World Bank of counsel acceptable to the World Bank, showing that, on behalf of the Recipient, through SENER and NAFIN, the Mandato Agreement has been duly authorized or ratified by, and executed and delivered on behalf of the Recipient, through SENER and NAFIN and is legally binding upon each 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, after consultation with the Recipient, the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

5.04 This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (90) days after the Signature Date of this Agreement (the "Effectiveness Deadline"), unless the World Bank, after consideration of the reasons for the delay, establishes a later Effectiveness Deadline for the purposes of this Section, which may in no case be later than eighteen (18) months after the World Bank's approval of the Grant, which expires on September 6, 2016. The World Bank shall promptly notify the Recipient of such later date.

Article VI
Recipient’s Representative; Addresses

6.01. Except as provided in Section 3.02 of this Agreement, the Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is the Titular de la Unidad de Asuntos Internacionales de Hacienda of Secretaría de Hacienda y Crédito Público.

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

Secretaría de Hacienda y Crédito Público
Unidad de Asuntos Internacionales de Hacienda
Insurgentes Sur 1971
Torre III, tercer piso
Colonia Guadalupe Inn
01020 México, D.F.
6.03. Notifications to the Recipient under this Agreement shall be copied to:

**SENER:**

Secretaría de Energía
Dirección General de Investigación, Desarrollo Tecnológico y Formación de Recursos Humanos.
Insurgentes Sur 890, Piso 3
Colonia del Valle
México, DF 03100

**NAFIN:**

Dirección de Organismos Financieros Internacionales
Insurgentes Sur No. 971, Anexo Piso Financiero, Nivel Jardín
Col. Guadalupe Inn C.P. 01020
Delegación Álvaro Obregón, México D.F.

6.04. 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)
Facsimile: 1-202-477-6391

Washington, D.C.
64145 (MCI)
AGREED at Mexico City, Mexico, on behalf of the Bank on April 29, 2015, on behalf of NAFIN on 30 abril, 2015, and SENER, as executing agency of the Recipient on 8 de mayo, 2015, and on behalf of the Recipient, through SHCP, on 8 de mayo, 2015.

UNITED MEXICAN STATES

By

Authorized Representative

Name: María de los Ángeles C. González Miranda
Titular de la Unidad de Asuntos Internacionales de Hacienda

By

Authorized Representative

Name: Francisco Leonardo Fabricio Belfín Rodríguez
Subsecretaria de Financiamiento y Transición Energética

NACIONAL FINANCIERA, S.N.C., I.B.D.

By

Authorized Representative

Name: Martha Susana Benavides
Dirección Organismos Financiados Internacionales

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

By

Authorized Representative

Name: Gerardo M. Corrochano
Country Director, Colombia and Mexico
SCHEDULE 1

Project Description

The objectives of the Project are to improve the institutional capacity of advanced clean energy technology institutions (both public and private) in the territory of the Recipient, and to foster the commercialization of advanced clean energy technologies by providing financial incentives to the private sector, which together are expected to lead to GHG emissions reductions in the future.

The Project consists of the following parts:

Part 1. Regional Needs Assessments

Provision of technical assistance and Capacity Building to carry out Regional Needs Assessments.

Part 2. Incentives to the Private Sector for the Commercialization of Advanced Clean Energy Technologies

1. Provision of Sub-grants to Eligible Beneficiaries to carry out advanced clean energy activities, which consist of, inter alia, proof of concept activities and/or collaborative clean energy commercialization activities.

2. Provision of technical assistance to Eligible Beneficiaries to incentivize the commercialization of advanced clean energy technologies.

Part 3. Project Management

Provision of support, including technical assistance, to the SENER-UREP to support the management and supervision of the implementation of the Project.
SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements

1. The Recipient, through SENER, shall operate and maintain the SENER-UREP, throughout the period of implementation of the Project, with functions, responsibilities and sufficient resources acceptable to the World Bank, headed by a Project manager, who shall be responsible for overall Project coordination and day to day implementation of the Project and staffed with competent personnel in adequate numbers, with qualifications, experience and terms of reference satisfactory to the World Bank and set forth in the Project Operational Manual ("POM").

2. Without limitation of the paragraph above, the Recipient, through the SENER, shall, no later than three (3) months after the Effective Date, appoint the financial management specialist, the procurement management specialist and the technical specialists referred to in the POM, with terms of reference acceptable to the World Bank.

3. The Recipient, through SENER, shall establish, and thereafter maintain, throughout the period of implementation of the Project, an Investment Committee chaired by SENER, with functions, responsibilities and sufficient resources acceptable to the World Bank. The Investment Committee shall be responsible for assisting SENER in carrying out Part 2 of the Project, as further detailed in the POM.

B. Project Operational Manual

1. The Recipient, through SENER, shall carry out the Project in accordance with the provisions of the POM, which sets forth, inter alia:

   (a) institutional arrangements for the implementation of the Project, including, but not limited to, a detailed description of the functions and responsibilities of the SENER-UREP and the Investment Committee in connection with the implementation of the Project;

   (b) the Advanced Clean Energy Fund Manual;

   (c) financial management rules and procedures (Project budgeting, disbursement and financial management);
(d) procurement arrangements and procedures;

(e) the Environmental and Social Management Framework;

(f) monitoring and evaluation arrangements; and

(g) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project.

2. The Recipient, through SENER, shall not amend, abrogate or waive any provision of the POM without the World Bank’s prior written approval.

3. In case of conflict between the POM and the provisions of this Agreement, the provisions of this Agreement shall prevail.

C. **Mandato Agreement**

1. For purposes of carrying out the Project, the Recipient, through SHCP and SENER, shall enter into a contract (the “Mandato Agreement”) with NAFIN, satisfactory to the World Bank, whereby:

   (a) NAFIN agrees to act as financial agent of the Recipient with respect to the Grant, meaning that, *inter alia*, NAFIN agrees to represent the Recipient *vis-à-vis* the World Bank for purposes of submitting withdrawal applications to the World Bank in form and substance sufficient to justify disbursement by the World Bank to the Recipient referred to in the additional instructions cited in Section IV.A.1 of this Schedule 2, all of this in compliance with the terms of this Agreement;

   (b) The Recipient, through SENER, and NAFIN agree to abide by and carry out the Project, in accordance with, the provisions of this Agreement, including the Anti-Corruption Guidelines, and the POM;

   (c) The Recipient, through SHCP, shall have the right to, in case of fraud or corruption (as defined in the Anti-Corruption Guidelines) provide for the early termination of the Mandato Agreement or temporarily suspend its effects, or, if applicable, require the Restitution of funds transferred to NAFIN or SENER under the Mandato Agreement; and

   (d) The Recipient, through SENER, and NAFIN agree to cooperate fully with each other to ensure that NAFIN and SENER are able to comply with all of NAFIN’s and SENER’s obligations referred to in this Agreement.

2. The Recipient, through SHCP and SENER, and NAFIN shall exercise their rights and carry out their obligations under the Mandato Agreement in such a manner as to protect the interests of the World Bank and to accomplish the purposes of the Grant.
3. Except as the World Bank may otherwise agree, neither the Recipient, through SHCP or SENER, nor NAFIN, shall amend, terminate, abrogate, waive or fail to enforce any provision of the Mandato Agreement. In case of any conflict between the terms of the Mandato Agreement and those of this Agreement, the terms of this Agreement shall prevail.

D. Sub-grants

1. For the purposes of carrying out any given Subproject under Part 2.1 of the Project, the Recipient through SENER, shall make available a Sub-grant to the relevant Eligible Beneficiary under an agreement (the “Sub-grant Agreement”), to be entered into between the Recipient, through SENER, BANOBRAS (acting as trustee of the FOTEASE), and said Eligible Beneficiary, on terms and conditions satisfactory to the World Bank, and further detailed in the POM.

2. The Recipient, through SENER, shall take all measures necessary to ensure that, in making the Sub-grants available to Eligible Beneficiaries, it shall obtain rights adequate to protect the interests of the Recipient and those of the World Bank, including the right to:

(a) suspend or terminate the right of the Eligible Beneficiary to use the proceeds of the Sub-grant, or obtain a refund of all or any part of the amount of the Sub-grant then withdrawn, upon the failure of the Eligible Beneficiary to perform any of its obligations under the Sub-grant Agreement;

(b) require each Eligible Beneficiary to:

(i) carry out the Subproject for which the Sub-grant was given with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, standards and practices satisfactory to the World Bank, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to the Eligible Beneficiary, the ESMF and the POM;

(ii) co-finance part of the cost of the pertinent Subproject as provided in the POM, and provide, promptly as needed, the services, facilities and other counterpart resources required for the purpose of carrying out the corresponding Subproject;

(iii) procure the goods, works and services to be financed out of the proceeds of the Sub-grant in accordance with the provisions of Section III of this Schedule;
(iv) upon reasonable request, enable the Recipient, through SENER, and the World Bank to inspect the Subproject, its operation and any relevant records and documents;

(v) maintain policies and procedures adequate to enable the Recipient, through SENER, to monitor and evaluate, in accordance with indicators acceptable to the World Bank, the progress of the Subproject and the achievement of its objectives;

(vi) maintain a financial system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the World Bank, both in a manner to reflect the operations, resources and expenditures related to the Subproject; and

(vii) prepare and furnish to the Recipient, through SENER, and the World Bank all such information as the Recipient, through SENER, or the World Bank shall reasonably request relating to the foregoing; and

(c) require BANOBRA S to comply with the Anti-Corruption Guidelines in the discharge of its responsibilities under Part 2.1 of the Project.

3. The Recipient, through SENER, shall exercise its rights and obligations under each Sub-grant Agreement as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, the Recipient, through SENER, shall not assign, amend, abrogate or waive any Sub-grant Agreement or any of its provisions.

4. In case of any conflict between the terms of any Sub-grant Agreement and this Agreement, the provisions of this Agreement shall prevail.

E. Anti-Corruption

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

F. Safeguards

1. The Recipient, through SENER, shall carry out the Project in accordance with the ESMF. The Recipient, through SENER, shall not amend, abrogate, repeal, waive or fail to enforce its ESMF or any of their respective provisions without the prior written approval of the World Bank.
2. If applicable, the Recipient, through SENER, shall cause each Eligible Beneficiary to prepare and, thereafter, immediately implement an environmental management plan, in accordance with the ESMF, and in a manner acceptable to the World Bank.

3. In the event of any conflict among the provisions of the ESMF and/or an environmental management plan, including any annexes and supplements thereto, and the provisions of this Agreement, the latter shall prevail.

4. The Recipient, through SENER, shall ensure, that the terms of reference for any consultancies related to technical assistance activities under the Project shall be satisfactory to the World Bank following its review thereof and, to that end, such terms of reference shall duly incorporate the requirements of the World Bank Safeguard Policies then in force, as applied to the advice conveyed through such technical assistance activities.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. The Recipient, through SENER, shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators acceptable to the World Bank and set forth in the POM. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the World Bank not later than sixty (60) days after the end of the period covered by such report.

2. The Recipient, through SENER; shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six (6) months after the Closing Date.

B. Financial Management; Financial Reports; Audits

1. The Recipient, through SENER, 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, through SENER, 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, through SENER, shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six (6) 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:


(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.

3. Special Provisions. The Recipient, through SENER, shall: (a) supply the SEPA with the information contained in the initial Procurement Plan within forty-five (45) days after the Signature Date; and (b) update the Procurement Plan at least once a year to reflect the actual Project implementation needs and progress and supply the SEPA with the information contained in the updated Procurement Plan immediately thereafter.
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) National Competitive Bidding; (b) Shopping; (c) Direct Contracting; and (d) Well-established Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the World Bank and set forth in the POM.

C. Particular Methods of Procurement of Consultants’ Services

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

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

D. Review by the World Bank of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the World Bank’s Prior Review. All other contracts shall be subject to Post Review by the World Bank.

Section IV. Withdrawal of Grant Proceeds

A. General

1. The Recipient may, or may cause NAFIN to withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant ("Category"), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Consultants' services and Capacity Building under Part 1 of the Project, as described in Schedule 1 to this Agreement</td>
<td>4,576,890</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Consultants' services and Capacity Building under Part 2.2. of the Project, as described in Schedule 1 to this Agreement</td>
<td>1,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Goods, non-consulting services, consultants’ services and Project Incremental Costs for Subprojects under Part 2.1. of the Project, as described in Schedule 1 to this Agreement</td>
<td>10,500,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Consultants' services and Project Incremental Costs under Part 3 of the Project, as described in Schedule 1 to this Agreement</td>
<td>803,844</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>16,880,734</td>
<td></td>
</tr>
</tbody>
</table>
For purposes of this paragraph the following terms mean:

(a) "Capacity Building" means the costs associated with the delivery of capacity building activities under the Project, including: (i) logistics; (ii) equipment rental; (iii) training materials; (iv) stationary for workshops and meetings; (v) lodging; (vi) catering services for coffee breaks; (vii) rental for training facilities; (viii) reasonable fees, travel, transportation and per diem of trainers and trainees Project, and other reasonable expenditures associated with the delivery of capacity building approved by the World Bank.

(b) "Project Incremental Costs" means the reasonable and incremental expenses incurred by the Recipient, through SENER, or the Eligible Beneficiaries on account of Project implementation, for the rental of vehicles and equipment, for fuel, office supplies, and non-durable products, insurance for equipment, office rent, internet connection and communications costs, support for information systems, translation costs, bank charges, advertising expenses, utilities, and travel, transportation, per diem and accommodation costs, salaries of staff not covered by Consultant’s services assigned to the Subprojects and other reasonable expenditures directly associated with implementation of Project activities, and approved by the World Bank.

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made:

   (a) for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed $3,000,000 equivalent may be made for payments made prior to this date but on or after January 1, 2015, but in no case more than one (1) year before the Signature Date, for Eligible Expenditures under the Project.

   (b) for payments under Categories (2) and (3) unless the Investment Committee has been established, within SENER, with functions and responsibilities acceptable to the World Bank.

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2019.
APPENDIX

Section I. Definitions

1. "Advanced Clean Energy Fund Manual" means "Guía Operativa para la Implementación de los Premios GEF-SENER a Tecnologías Verdes", the manual, which is part of the POM, setting forth the principles, guidelines, criteria, rules and procedures for the selection and implementation of Subprojects, and referred to in Section I.B.1.(b) of Schedule 2 to this Agreement.


3. "BANOBRA S" means Banco Nacional de Obras y Servicios Públicos, S.N.C., a Mexican Development Bank serving as the FOTEASE’s financial agent for purposes of transferring Sub-grants to Eligible Beneficiaries.

4. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.

5. "Eligible Beneficiary" means a private sector enterprise selected in accordance with the criteria and procedures set forth in the Project Operational Manual to receive a Sub-Grant and/or technical assistance under Part 2 of the Project.

6. "Environmental and Social Management Framework" or "ESMF" means the SENER’s environmental and social framework, dated March 2014, setting forth the principles, guidelines, rules and procedures to assess the potential environmental, social, health and safety impacts of Project activities, and mitigation, monitoring and institutional measures to be taken to offset or eliminate any such negative impacts, or reduce them to acceptable levels, including the guidelines for preparing and implementing environmental management plans, and when applicable, and said ESMF may be modified from time to time with the prior written agreement of the World Bank, and such term includes any of its schedules or annexes.

7. "FOTEASE" means Fondo para la Transición Energética y el Aprovechamiento Sustentable de la Energía, a Mexican trust fund responsible for the promotion of the use of advanced clean energies in the territory of the Recipient, established and operating as a legal entity under the Reglas de Operación del Fideicomiso Público de Administración y Pago denominado Fondo para la Transición Energética y el Aprovechamiento Sustentable de la Energía, published in the Recipient’s Official Gazette, dated January 30, 2014.
8. "GHG" means greenhouse gases.

9. "Investment Committee" means Comité de Aprobación de Inversiones, SENER’s Committee referred to in Section I.A. 3 of Schedule 2 to this Agreement.

10. "Mandato Agreement" means the agreement referred to in Section I.C. of the Schedule 2 of this Agreement.

11. "NAFIN" means Nacional Financiera, S.N.C., I.B.D., a Mexican development bank serving as the Recipient’s financial agent for purposes of the Grant.

12. "Project Operational Manual" or “POM” means the SENER’s manual, dated October 27, 2014, acceptable to the World Bank, and referred to in Section I.B. of Schedule 2 to this Agreement.

13. "Procurement Plan" means the plan for the Project, dated December 16, 2014, and referred to in Section III.A.1 (b) of Schedule 2 to this Agreement.

14. "Regional Needs Assessments" or “RNAs” means each of the assessments under Part 1 of the Project to evaluate the capacity of academic and research institutions, private enterprises and public entities in the territory of the Recipient to develop and commercialize advanced clean energy technologies.

15. "Restitution" means paying back the ill-gotten gains to the government or to the victim of the fraud and corruption, as set forth in the Anti-Corruption Guidelines.


17. "SENER-UREP" means the unit responsible for the implementation of the Project and established within SENER, referred to in Section I.A.1 of Schedule 2 to this Agreement.

18. "SEPA" means Sistema de Ejecución de Planes de Adquisiciones, the World Bank’s publicly accessible Procurement Plans Execution System.

19. "SHCP" means Secretaria de Hacienda y Crédito Público, the Recipient’s Ministry of Finance and Public Credit.

20. "Signature Date" means the latest of the four dates on which the Bank and the Recipient (including SHCP and SENER), and NAFIN signed the Grant Agreement and such definition applies to all references to “the date of the Grant Agreement” in the Standard Conditions.
21. "Sub-grant" means a grant made out of the proceeds of the Grant to an Eligible Beneficiary, in accordance with Section I.D.1. of Schedule 2 to this Agreement.

22. "Sub-grant Agreement" means Convenio de Asignación de Recursos, any of the agreements referred to in Section I.D.1. of Schedule 2 to this Agreement.

23. "Subproject" means any of the activities referred to in Part 2.1. of the Project, which meet the eligibility criteria set forth in the POM.
