Global Environment Facility
Grant Agreement

(Integrated Forest Ecosystem Management Project)

between

KYRGYZ REPUBLIC

and

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

Dated January 18, 2016
GEF GRANT NUMBER TF0A0750

GLOBAL ENVIRONMENT FACILITY
GRANT AGREEMENT

AGREEMENT dated , 2016, entered into between KYRGYZ REPUBLIC ("Recipient"); and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("World Bank"), acting as an implementing agency of the Global Environment Facility ("GEF").

The Recipient and the World Bank hereby agree as follows:

Article I
Standard Conditions; Definitions


1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement.

Article II
The Project

2.01. The Recipient declares its commitment to the objective of the project described in Schedule I to this Agreement ("Project"). To this end, the Recipient shall carry out the Project, through SAEFF, in accordance with the provisions of Article II of the Standard Conditions.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

Article III
The Grant

3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to four million, one hundred and nine thousand five hundred and eighty nine United States Dollars ($4,109,589) ("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.

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

Article IV
Effectiveness; Termination

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

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

(b) The Financing 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.

(c) The Recipient, through SAEPF, has adopted the Project Operations Manual in a manner satisfactory to the World Bank.

(d) The Recipient, through SAEPF, has established the Project Implementation Unit and recruited the Project coordinator, and the specialists referred to in Section I.A.1 (b) of Schedule 2 to this Agreement, all in a manner satisfactory to the World Bank.

4.02. As part of the evidence to be furnished pursuant to Section 4.01 (a), there shall be furnished to the World Bank an opinion or opinions satisfactory to the World Bank of counsel acceptable to the World Bank or, if the World Bank so requests, a certificate satisfactory to the World Bank of a competent official of the Recipient, showing on behalf of the Recipient, that this Agreement has been duly authorized or ratified by, and executed and delivered on behalf of the Recipient and is legally binding upon the Recipient in accordance with its terms.

4.3. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 4.01 ("Effective Date"). If, before the Effective Date, any event has occurred which
would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

4.04. *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 one hundred and eighty (180) days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

Article V
Recipient’s Representative; Addresses

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

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

Ministry of Finance
58 Erkindik Blvd.
Bishkek, 720040
Kyrgyz Republic

Facsimile:
996-312-661645

5.03. The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

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

Cable: Telex: Facsimile:
INTBAFRAD 248423 (MCI) or 1-202-477-6391
Washington, D.C. 64145 (MCI)
AGREED at ____________, __________, as of the day and year first above written.

KYRGYZ REPUBLIC

By __________________________________________

Authorized Representative

Name: Adylbek Kasymaliev
Title: Minister of Finance

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

By __________________________________________

Authorized Representative

Name: Jean Michel Haggi
Title: Country Manager
SCHEDULE 1
Project Description

The objective of the Project is to strengthen the capacity of government institutions and communities to improve sustainable forest ecosystem management through investments in management planning, ecosystem restoration, and infrastructure.

The Project consists of the following parts:

Part 1: Forest Sector Institutional Reform

(a) Support the implementation of institutional reforms for the forestry sector including: (i) planning, budgeting and monitoring of Leskhozes’ operations; and, (ii) harmonization of regulations, specifically in relation to the adoption of unified use of forest resources including pasture use.

(b) Carry out a national public awareness campaign to improve natural resource governance and promote more sustainable natural resource management systems.

(c) Support the designated government agencies working on land issues in defining land boundaries for Leskhozes, as applicable.

(d) Build capacity of the relevant government institutions of the Recipient, at all levels, with regard to the development of new approaches to natural resources management.

Part 2: Strategic Investments and Piloting of Sustainable Management Approaches

(a) Design and prepare the Integrated Natural Resource Management Plans (INRMPs) including: (i) drafting guidelines for the preparation of INRMPs; (ii) assisting Participating Leskhozes to prepare INRMPs; and (iii) preparing the Annual Operational Plans.

(b) Provide support to Participating Leskhozes to implement investments on land use management practices and alternative livelihood opportunities, including, *inter alia*, afforestation, nursery construction, pasture management plans, rehabilitation of existing bridges and roads, all as set forth in the INRMPs.

(c) Carry out activities to assess and restore municipal degraded forests including; (i) preparing plans to identify key reforestation investments; and (ii) supporting implementation of said identified investments.
Part 3: **Information and Monitoring and Evaluation**

(a) Update the National Forest Inventory through the analysis of data, including, *inter alia*, new satellite imagery, geographic information system (GIS) and remote sensing data to define land use types within the territory of the Recipient.

(b) Develop and implement improvements to the existing Forest Management Information System.

(c) Carry out research studies on the factors which affect forest resources including: (i) approaches to accounting for all the costs and returns associated with the natural capital of the ecosystems; and (ii) strategic measures on climate change adaptation strategies.

Part 4: **Project Management, Monitoring and Evaluation**

Strengthen the institutional capacity of SAEPF on Project management and implementation, through: (a) establishing a Project Implementing Unit; (b) providing Training and building the technical capacity of said PIU on Project management, supervision, monitoring and evaluation of Project activities; (c) carrying out of Project audits; (d) acquisition of office equipment and vehicles for the Project; and (e) financing of Operating Costs.
SCHEDULE 2

Project Execution

Section I. Institutional and Implementation Arrangements

A. Institutional Arrangements

1. The Recipient, through SAEPF, shall:
   (a) be responsible for Project implementation;
   (b) establish, and thereafter operate and maintain throughout Project implementation, a Project Implementation Unit (PIU) with key staff including a Project coordinator, a financial management specialist, a procurement specialist, and a monitoring and evaluation specialist, all with qualifications, experience and terms of reference acceptable to the World Bank; and
   (c) ensure that the PIU is responsible for overall Project Management including operations related to implementation of project activities in Leskhozes.

2. National Coordination Committee

The Recipient, through SAEPF, shall establish and thereafter maintain throughout Project implementation, a National Coordination Committee with a composition, functions and responsibilities acceptable to the World Bank, including for Project oversight and progress monitoring of Project implementation, and as set forth in the POM.

B. Implementation Arrangements

1. Project Operations Manual

   (a) The Recipient shall carry out the Project in accordance with a manual (the Project Operations Manual), satisfactory in form and substance to the World Bank, which consists of different schedules setting forth rules, methods, guidelines, specific development plans, standard documents and procedures for the carrying out of the Project, including the following:

   (i) the detailed description of all Project activities supported under this Agreement, their sequencing and the prospective timetable and benchmarks in relation thereto;
(ii) the Project administrative, financial, accounting, auditing, procurement and disbursement procedures, including all relevant standard documents;

(iii) a detailed selection criteria of the Participating Leskhoz;

(iv) a detailed selection criteria of the Participating Municipalities;

(v) a model Partnership Agreement, for the carrying out of Leskhoz Investments; and

(vi) a model Municipality Participation Agreement, for the carrying out of Municipal Investments.

(b) The Project Operations Manual may only be amended from time to time in consultation with, and after approval of, the World Bank. In case of any conflict between the terms of the Project Operations Manual and those of this Agreement, the terms of this Agreement shall prevail.

C. Anti-Corruption

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

D. Leskhoz Investments

1. For the purposes of carrying out any Leskhoz Investment, and upon approval of any given INRMP and pertinent Annual Operational Plan setting forth such Leskhoz Investment, the Recipient, through SAEPF, shall:

(A) make a portion of the Financing available to the respective Participating Leskhoz; or (B) if applicable, transfer a portion of the same to the Participating Leskhoz (as provide below) pursuant to an agreement (Partnership Agreement) to be entered into with each Participating Leskhoz consistent with the model Partnership Agreement set forth in the POM and on terms and conditions satisfactory to the World Bank, which shall include, inter alia, the following:

(i) the obligation of the Recipient to carry out on behalf of the Participating Leskhoz the pertinent Leskhoz Investment in accordance with the pertinent provisions of this Agreement;

(ii) the right of the Recipient to select one or more Leskhoz Investments to be carried out by the Participating Leskhoz;
the right of the Recipient, through SAEPF, to protect its interests and those of the World Bank, including the right to:

A. suspend or terminate the right of the Participating Leskhoz to use the proceeds of the Financing or, if applicable, obtain a refund of all or any part of the amount of the Financing then withdrawn, upon the Participating Leskhoz's failure to perform any of its obligations under the Partnership Agreement; and

B. the obligation of the Participating Leskhoz to:

(a) in those cases where the Recipient shall carry out the Leskhoz Investment:

(i) provide support to the Recipient with due diligence and efficiency in the carrying out such Leskhoz Investment and in accordance with the pertinent provisions of this Agreement (including the Anti-Corruption Guidelines).

(b) In those cases where the Participating Leskhoz will carry out the Leskhoz Investment:

(i) carry out such Leskhoz Investment with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the World Bank, including in accordance with the provisions of the EMF (and any applicable EMP prepared thereunder), the ARF (and any applicable action plans prepared thereunder), and Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient;

(ii) provide, promptly as needed, the resources required for the purpose;

(iii) procure the goods, works and services for said Leskhoz Investment in accordance with the POM and the provisions of this Agreement;

(iv) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the World Bank, the
progress of the Leskhoz Investments and the achievement of their objectives;

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

(vi) at the World Bank’s request, have such financial statements audited by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank, and promptly furnish the statements as so audited to the Recipient and the World Bank;

(vii) enable the Recipient and the World Bank to inspect the respective Leskhoz Investment, its operation and any relevant records and documents; and

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

2. The Recipient shall, through SAEPF, exercise its rights and carry out its obligations under each Partnership Agreement in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Financing. Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate, terminate, waive, or fail to enforce any Partnership Agreement or any of its provisions.

3. The Recipient shall ensure the Leskhoz Investments are operated and maintained in a manner satisfactory to the World Bank.

E. Municipality Investments

1. For the purposes of carrying out any Municipality Investment under Part 2(c)(ii) of the Project, and upon approval of the respective Municipality Investment in form and substance, and in a manner satisfactory to the World Bank, the Recipient, through SAEPF, shall enter into a Municipality Participation Agreement with each Participating Municipality consistent with the model Municipality Participation Agreement set forth in the POM and on terms and conditions satisfactory to the
World Bank, including the obligation of the Participating Municipality to assist the Recipient in the implementation of the Municipality Investment in accordance with the provisions of this Agreement.

2. The Recipient shall through SAEPF exercise its rights and carry out its obligations under each Municipality Participation Agreement in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Financing. Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate, terminate, waive, or fail to enforce any Partnership Agreement or any of its provisions.

3. The Recipient shall ensure the Municipality Investments are operated and maintained in a manner satisfactory to the World Bank.

F. Environmental and Social Safeguards

1. In implementing Parts 2(b) and 2(c)(ii) of the Project, the Recipient, through SAEPF, shall:
   
   (a) ensure that the Project, and any applicable Leskhoz Investment, and any applicable Municipality Investment is carried out in accordance with the Environmental Management Framework (EMF) (and any EMPs prepared thereunder), and the Access Restriction Framework (ARF) (and any action plans prepared thereunder) as the case may be. Except as the World Bank shall otherwise agree, the Recipient, through SAEPF, shall not assign, amend, abrogate, waive or fail to enforce the ARF (or any plans prepared thereunder) and/or EMF (or any EMPs prepared thereunder), or any of their provisions; and

   (b) provide to the World Bank for its prior approval, any revision proposed to be introduced into said EMF or ARF as the case may be, and thereafter only introduce such revisions as shall have been agreed with the World Bank.

2. In case of a conflict between the EMF or the ARF and the provisions of this Agreement, the provisions of this Agreement shall prevail.

3. Without limitation to the provisions set forth in Section I.F.1 above, and for the purposes of carrying out the activities under the Project, the Recipient, through SAEPF, shall maintain a grievance redress mechanism acceptable to the World Bank, so as to enable an adequate monitoring and resolution of the issues arising as a result of the carrying out Project activities under said Part of the Project.

4. The Recipient shall ensure that no activities are carried out in connection with the Project that may involve the use or potential pollution of international waterways
or the tributaries of any such international waterways, as determined by the World Bank.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

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

2. The Recipient shall 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 no later than six (6) months after the Closing Date.

B. Financial Management, Financial Reports and 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 prepare and furnish to the World Bank, not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project, covering the pertinent quarter, in form and substance satisfactory to the World Bank.

3. The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07(b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six (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 Grant shall be procured in accordance with the requirements set forth or referred to in:
Section I of the “Guidelines: Procurement of Goods, Works and Non-
consulting Services under IBRD Loans and IDA Credits and Grants by
World Bank Borrowers” dated January 2011 (revised July 2014)
(“Procurement Guidelines”), in the case of goods, works and non-
consulting services, and Sections I and IV of the “Guidelines: Selection
and Employment of Consultants under IBRD Loans and IDA Credits and
Grants by World Bank Borrowers” dated January 2011 (revised July 2014)
(“Consultant Guidelines”) in the case of consultants’ services; and

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

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

B. Particular Methods of Procurement of Goods, Works and Non-consulting
Services

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

2. The following methods, other than International Competitive Bidding, may be
used for procurement of goods, works and non-consulting services for those
contracts specified in the Procurement Plan: (a) National Competitive Bidding
subject to the additional provisions set forth in the Annex to this Schedule 2; (b)
Shopping; (c) Direct Contracting; and (d) Community Participation procedures
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 contracts which are specified in the
Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed
Budget; (c) Least Cost Selection; (d) Selection based on Consultants' Qualifications; (e) Single-source Selection of consulting firms; (f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (g) Single-source procedures for the Selection of Individual Consultants.

D. Review by the World Bank of Procurement Decisions

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

Section IV. Withdrawal of Grant Proceeds

A. General

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the 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</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, consultants services, non-consulting services,</td>
<td>4,109,589</td>
<td>100%</td>
</tr>
<tr>
<td>Operating Costs and Training under Parts 1(b), 1(c), 1(d), 2(a), 3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>and 4 of the Project.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>4,109,589</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 September 30, 2021.

Section V. Other Undertakings

Accounting System Installation

Within thirty (30) days from the Effective Date, the Recipient, through SAEPF, shall install an automated accounting system acceptable to the World Bank, with capacity to, inter alia, generate IFRs, statement of expenditures and annual financial statements, and in a manner acceptable to the World Bank.
ANNEX TO SCHEDULE 2
Modifications to National Competitive Bidding (NCB) Procedures

The procedure to be followed for National Competitive Bidding shall be the “Single-Stage Bidding” method set forth in the Public Procurement Law of the Recipient dated April 3, 2015 № 72 (the “PPL”) provided, however, that such procedure shall be subject to the provisions of Section 1 and Paragraphs 3.3 and 3.4 of the “Guidelines for Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits & Grants by World Bank Borrowers” (January 2011, revised July 2014) (the “Procurement Guidelines”) and the following additional provisions:

1. Procuring entities shall use the appropriate standard bidding documents, including forms of contract acceptable to the World Bank, which shall be prepared so as to ensure economy, efficiency, transparency and broad consistency with the provisions of Section 1 of the Procurement Guidelines.

2. The eligibility of bidders shall be as defined under Section 1 of the Procurement Guidelines; accordingly, no bidder or potential bidder shall be declared ineligible for contracts financed by the World Bank for reasons other than those provided in Section 1 of the Procurement Guidelines.

3. No restrictions in respect of eligibility to participate in bidding for contracts shall be placed on the basis of nationality of the bidder and/or the origin of goods other than those imposed by primary boycotts.

4. Foreign bidders shall be allowed to participate in National Competitive Bidding procedures without restrictions of any kind.

5. No preference of any kind shall be applied for domestic bidders and/or for domestically manufactured goods.

6. Bidding shall not be restricted to pre-registered firms, and foreign bidders shall not be required to be registered with local authorities as a prerequisite for submitting bids.

7. Foreign firms shall not be required to associate with a local partner in order to bid as a joint venture, and joint venture partners shall be jointly and severally liable for their obligations.

8. Government-owned enterprises in the Recipient's territory shall be eligible to participate in bidding only if they can establish that they are legally and financially autonomous, operate under commercial law, and are not dependent agencies of the Borrower or Sub-Borrower. Such enterprises shall be subject to the same bid and performance security requirements as other bidders.
9. Prequalification procedures acceptable to the World Bank shall be used for large, complex and/or specialized projects.

10. Bidders shall be given at least thirty (30) days from the date of the invitation to bid or the date of availability of bidding documents, whichever is later, to prepare and submit bids.


12. An extension of bid validity, if justified by exceptional circumstances, may be requested in writing from all bidders before the expiration date and for a minimum period required to complete the evaluation or award a contract, but not to exceed thirty (30) days. No further extensions shall be requested without the prior concurrence of the World Bank.

13. Bids shall be opened in public, immediately after the deadline for their submission in accordance with procedures stated in the bidding documents. No bids should be rejected at bid opening unless they are late.

14. Evaluation of bids shall be made in strict adherence to the quantifiable criteria declared in the bidding documents. Qualification criteria for bid evaluation shall be applied on a pass or fail basis. Evaluation criteria other than price shall be quantified in monetary terms.

15. Bids that are not substantially responsive to the technical specifications, contract conditions, or other critical requirements in the bidding documents shall be rejected.

16. Bid evaluations shall be confidential, and bidding committee meetings shall not be open to bidders and/or their representatives.

17. Post-qualification criteria shall only pertain to past contract performance, financial and technical capabilities of bidders.

18. Contracts shall be awarded to the bidder who submits the lowest-evaluated, substantially-responsive bid, and who is determined to be qualified to perform the contract in accordance with pre-defined and pre-disclosed evaluation criteria. No negotiation as to the price or substance of the bid shall take place.

19. If the procuring entity fails to conclude a contract with the lowest evaluated bidder, a contract may be awarded to the qualified bidder who is next ranked and whose bid is found substantially responsive.
20. All bids (or the sole bid if only one bid is received) shall not be rejected, the procurement process shall not be cancelled, and new bids shall not be solicited without the World Bank's prior concurrence.

21. Bidders shall be given at least twenty-eight (28) days from the receipt of notification of contract award to submit performance securities.

22. Each bidding document and contract financed out of the proceeds of the Financing shall include provisions stating the World Bank's policy to sanction firms or individuals, found to have engaged in fraud and/or corruption as defined in the paragraph 1.16(a) of the Procurement Guidelines. The World Bank will sanction a firm or an individual, at any time, in accordance with prevailing World Bank sanctions procedures, including by publicly declaring such firm or individual ineligible, either indefinitely or for a stated period of time: (i) to be awarded an World Bank-financed contract; and (ii) to be a nominated sub-contractor, consultant, supplier, or service provider of an otherwise eligible firm being awarded an World Bank-financed contract.

23. In accordance with the paragraph 1.16(e) of the Procurement Guidelines, each bidding document and contract financed out of the proceeds of the Financing shall provide that bidders, suppliers and contractors, and their subcontractors, agents, personnel, consultants, service providers, or suppliers, shall permit the World Bank to inspect all accounts, records, and other documents relating to the submission of bids and contract performance, and to have them audited by auditors appointed by the World Bank. Acts intended to materially impede the exercise of the World Bank's inspection and audit rights provided for in the Procurement Guidelines constitute an obstructive practice as defined in the Procurement Guidelines.

Complaints related to the procurement process shall be handled in accordance with the provisions of the Procurement Guidelines.
APPENDIX

Definitions

1. “Access Restriction Framework” means the Recipient’s management framework dated June 4, 2015 which sets forth the mitigating, monitoring and institutional measures to be taken during implementation of the Project in cases of restriction of access to natural resources or land and the guidelines for the preparation and implementation of the relevant action plans prior to the enforcement of such restriction, as such framework may be updated from time to time with the World Bank’s prior written concurrence.

2. “Annual Operational Plans” means the plans prepared by the Participating Leskhozes on an annual basis based on the approved five year Leskhoz INRMPs.


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


6. “Environmental Management Framework” or “EMF” means the Recipient’s environmental management framework dated June 4, 2015 for Parts 2(b) and 2(c)(ii) of Project, setting forth the mitigating, monitoring and institutional measures to be taken during the implementation and operation of said Parts of the Project to offset or reduce adverse environmental and natural habitats to levels acceptable to the World Bank, and the guidelines for the preparation and implementation of the EMFs (as hereinafter defined) as such framework may be updated from time to time with the World Bank’s prior written concurrence.

7. “Environmental Management Plan” or “EMP” means the Recipient’s site-specific environmental management plan, to be prepared during the Project’s implementation in accordance with the EMF, as the same may be amended and supplemented from time to time with the World Bank’s prior written approval; and “EMPs” means the plural thereof.

8. “Financing” means the grant and the credit provided by IDA to the Recipient pursuant to the terms of the Financing Agreement.
9. “Financing Agreement” means the financing agreement for the Project between the Recipient and IDA dated as of the date of this Agreement, providing a grant and a credit to the Recipient to assist in financing of the Project, as such agreement may be amended from time to time.

10. “Forest Management Information System” means the Recipient’s database maintained by the SAEPF which records and monitors information at the national and local level on the baseline of natural resources, land tenure, land degradation, natural disasters and the National Forest Inventory data.


12. “Leskhoz” means a state forest institution established and operating pursuant to the Recipient’s Forest Code No. 66 dated July 8, 1999 or its legal successor thereto.

13. “Leskhoz Investments” means any of the investments referred to in Part 2(b) of the Project, which meet the criteria set forth in the POM and are set forth in the respective INRMP.

14. “Municipality Investments” means any of the investments referred to in Part 2(c)(ii) of the Project which meet the criteria set forth in the POM.

15. “Municipality Participation Agreement” means any agreement referred to in Section I.E. of Schedule 2 to this Agreement.

16. “National Coordination Committee” means the committee referred to in Section I.A (2) of Schedule 2 to the Agreement.

17. “National Forest Inventory” means the Recipient’s repository of data on types and extent of forest cover, species and age, land use, productivity, degradation as well as any additional country-specific relevant information that would help to assess that state of the Recipient’s national forest resources for the purpose of forest management planning.

18. “Operating Costs” means the reasonable and incremental expenses incurred by SAEPF on account of implementation of the Project, for maintenance of PIU vehicles including related costs such as car registration and fuel purchase, utility, internet connection and communication costs, support for information systems, translation costs, travel expenses, per diem, accommodation costs (lodging) (excluding those associated with Training), bank charges, office rent, office supplies, and other consumables, advertisement costs, printing,
mail, as well as other reasonable expenditures directly associated with the implementation of the Project including salaries of PIU staff (excluding any other salaries of the Recipient’s civil servants), Social Charges all based on an annual budget acceptable to the World Bank.

19. “Partnership Agreement” means any agreement referred to in Section I.D. of Schedule 2 to this Agreement.

20. “Participating Leskhoz” means any Leskhoz which has been selected in accordance with the criteria set forth in the Project Operations Manual to implement Leskhoz Investments under any given INRMP.

21. “Participating Municipality” means any municipality of the Recipient which has been selected in accordance with the criteria set forth in the Project Operations Manual to implement the Municipality Investments.

22. “Project Implementation Unit” or “PIU” means the coordination unit within the SAEPF as hereinafter defined, and referred to in to Section I.A.1(b) of Schedule 2 to this Agreement.

23. “Project Operations Manual” or “POM” means the Recipient’s manual, satisfactory to the World Bank and referred to in Section I.B.1(a) of Schedule 2 to this Agreement, as the same may be amended from time to time with the World Bank’s prior written concurrence.


25. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated September 30, 2015 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

26. “Social Charges” means any payments, premia, or contributions for health benefits, unemployment benefits, disability insurance, workers’ compensation benefits, retirement (pension or social security) benefits, and life insurance, which constitute payment for the drawdown of future benefits to the staff concerned.

27. “State Agency for Environmental Protection and Forests” or SAEPF means the Recipient’s agency responsible for the sustainable management and conservation of forest and land resources established and operating pursuant to Resolution No. 123 dated February 20, 2012, or its legal successor thereto.
28. "Training" means expenditures (other than for consultants' services), incurred during the implementation of the Project, based on periodic budgets acceptable to the World Bank, for: (i) reasonable travel, room, board and *per diem* expenditures incurred by trainers and trainees in connection with their training; (ii) course fees; (iii) training/workshop facility and equipment rentals; and (iv) training material preparation, acquisition, reproduction and distribution expenses not otherwise covered under this paragraph.