Amended and Restated Global Environment Facility Grant Agreement

(Additional Financing for Financing Energy Efficiency at MSMEs Project – Programmatic Framework for Energy Efficiency)

between

INDIA

and

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

Originally Dated September 13, 2010
(Amended and Restated on Dec 13, 2015)
AMENDED AND RESTATED
GLOBAL ENVIRONMENT FACILITY GRANT AGREEMENT

AGREEMENT originally dated September 13, 2010, amended and restated on December 13, 2018, entered into between INDIA ("Recipient") and International Bank for Reconstruction and Development ("World Bank"), acting as an implementing agency of the Global Environment Facility ("GEF").

WHEREAS (A) under a Grant Agreement dated September 13, 2010 between the Recipient and the World Bank, as amended on January 5, 2015 ("Original Grant Agreement"), the Association agreed to provide the Recipient with a grant in an amount equivalent to two million two hundred fifty thousand United States Dollars ($2,250,000) to assist in financing Parts A4, A5, C and D1 of the project described in Schedule 1 to the Original Grant Agreement ("Original Project");

(B) under a Grant Agreement dated September 13, 2010 between the World Bank and Small Industries Development Bank of India ("SIDBI"), as amended on December 31, 2014 ("Original SIDBI Grant Agreement"), the World Bank, acting as an implementing agency of the GEF, has agreed to extend to SIDBI, a grant in an amount of nine million fifty thousand United States Dollars ($9,050,000), to carry out Parts A1, A2, A3, B, and D2 of the Original Project, on the terms and conditions set forth in the Original SIDBI Grant Agreement;

(C) on December 24, 2014, the World Bank cancelled, after consultation with the Recipient, an unwithdrawn amount of the Original Grant (as hereinafter defined) equivalent to five hundred fifteen thousand United States Dollars ($515,000), which amount was provided thereupon to SIDBI;

(D) on June 25, 2015 and December 22, 2015, the Recipient has requested the World Bank to make specific amendments to the Original Project and to consider extending an additional financing grant in the aggregate amount of five million one hundred ninety thousand United States Dollars ($5,190,000) to assist in the financing of the Project (as hereinafter defined); and

(E) under an Amended and Restated Grant Agreement of even date between the World Bank and SIDBI ("Amended and Restated SIDBI Grant Agreement"), the World Bank has agreed to extend an additional financing grant in the amount of three million seven hundred seventy thousand United States Dollars ($3,770,000) to assist SIDBI in the financing of the Project;

NOW THEREFORE, the Recipient and the World Bank hereby agree to amend and restate the Original Grant Agreement as follows:
Article I
Standard Conditions; Definitions

1.01. The Standard Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in: (a) the Standard Conditions; or (b) the Appendix to this Agreement.

Article II
The Project

2.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out Parts A4, A5, C and D1 of the Project, through BEE, 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 Parts A4, A5, C and D1 of the Project are 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) a grant in an amount equal to two million two hundred fifty thousand United States Dollars ($2,250,000) which was subsequently reduced by a cancellation of the amount of five hundred fifteen thousand United States Dollars ($515,000) on December 24, 2014, resulting in a remaining grant of one million seven hundred thirty five thousand United States Dollars ($1,735,000) ("Original Grant"); and

(b) a grant in an amount equal to one million four hundred twenty thousand United States Dollars ($1,420,000) ("Additional Grant") (the Original Grant and the Additional Grant are collectively referred to herein as the "Grant");

in each case, to assist in financing of Parts A.4, A.5, C and D.1 of the Project.

3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.
3.03. The Grant is funded out of the abovementioned GEF Trust Fund for which the World Bank receives periodic contributions. 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 GEF 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. The Additional Events of Suspension referred to in Section 4.02(k) of the Standard Conditions consist of the following: namely, that any event has occurred which gives the World Bank the right to suspend disbursements under the Amended and Restated SIDBI Grant Agreement.

Article V
Recipient’s Representative; Addresses

5.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is the Secretary, Additional Secretary, Joint Secretary, Director, Deputy Secretary or Under Secretary of the Department of Economic Affairs in the Ministry of Finance or successor thereto.

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

Department of Economic Affairs  
Ministry of Finance  
New Delhi 110 001  
India

Cable address:  
Telex:  
Facsimile:

ECOFAIRS  
953-31-66175  
91-11-23094075

New Delhi  
FINE IN

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
AGREED at New Delhi, India, as of the day and year first above written.

INDIA

By

Authorized Representative

Name: Raj Kumar
Title: Joint Secretary

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

By

Authorized Representative

Name: Junaid Ahmed
Title: Country Director, India
SCHEDULE 1

Project Description

The objective of the Project is to increase demand for energy efficiency investments in target micro, small and medium enterprise clusters and to build their capacity to access commercial finance.

The Project consists of the following parts:

Part A. Capacity and Awareness Building

1. Provision, through SIDBI, of specialized technical advisory services to increase awareness of energy efficiency at selected cluster and plant levels, including the implementation of outreach efforts, dissemination of information on successful projects, and packaging of potential investment proposals in energy efficiency for financing.

2. Provision, through SIDBI, of specialized technical advisory services to selected financial intermediaries.

3. Provision, through SIDBI, of unit level technical advisory services to selected MSMEs in accessing finance, vendor outreach and enlistment.

4. Provision, through BEE, of enhanced linkages to replicate successful technologies in MSMEs, focusing on homogenous clusters by appropriate technology providers.

5. Provision, through BEE, of technical advisory services to: (i) enhance marketing and outreach efforts to selected clusters, skill development of local service providers; (ii) carry out capacity building at industry associations, including awareness on performance indicators in the context of emerging technologies, enabling EE assessment mechanisms, and media products for enhanced awareness and outreach; and (iii) carry out training, audit, BEE certification and enlistment activities.

Part B. Increasing Energy Efficiency Investments (SIDBI)

1. Provision of technical advisory services for the development of an initial pipeline of approximately 730 sub-projects in the energy areas.

2. Provision of technical advisory services and performance-linked sub-grants for carrying out the demonstrations of energy efficiency technologies in selected clusters.

3. Provision of loans, through a revolving fund facility, to support energy efficiency investments.
Part C. Knowledge Management and Sharing (BEE)

Provision of technical advisory services and training for: (i) the design and implementation of a strategic framework; (ii) the facilitation of an appropriate regulatory and market transformation regime; (iii) the facilitation of a mechanism to address market failures; (iv) carrying out of promotion campaigns for the widespread adoption of energy efficiency products and technologies; (v) the identification, customization, and demonstration of selected advanced technologies; (vi) establishing key energy efficiency performance indicators for selected segments of MSME manufacturing; and (vii) skill development initiatives, including knowledge basis for setting up equipment testing/operation and maintenance facilities involving original equipment manufacturers, industry associations, and other stakeholders.

Part D. Project Management

1. Provision of technical advisory services, equipment, goods, and logistical assistance to the BEE’s PMU to facilitate the implementation of the Project.

2. Provision of technical advisory services, equipment, goods, and logistical assistance to the SIDBI’s PMU to facilitate the implementation of the Project.
SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Project Implementation Arrangement

1. The Recipient shall maintain a Project Management Unit in BEE to oversee the implementation of Parts A.4, A.5, C and D.1 of the Project and to be responsible for providing Project oversight, reporting and evaluation, implementation of selected outreach and capacity building, and cross-cutting knowledge management activities.

2. The Recipient shall: (i) carry out Parts A.4, A.5, C and D.1 of the Project in accordance with the guidelines, criteria, rules and procedures described in the BEE Project Operations Manual; and (ii) except as the World Bank shall otherwise agree, shall not assign, amend, abrogate or waive any provision of the BEE Project Operations Manual. In the event that the provisions of the BEE Project Operations Manual are inconsistent with the provisions of this Agreement, the provisions of this Agreement shall govern.

3. The Recipient shall, through BEE, carry out the Project in collaboration with SIDBI and in accordance with the Memorandum of Understanding.

B. Anti-Corruption

The Recipient shall ensure that Parts A.4, A.5, C and D.1 of the Project are carried out in accordance with the provisions of the Anti-corruption Guidelines.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. The Recipient shall cause BEE to monitor and evaluate the progress of Parts A.4, A.5, C and D.1 of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators agreed with the World Bank. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the World Bank not later than one (1) 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 not later than six (6) months after the Closing Date.
B. Financial Management; Financial Reports; Audits

1. The Recipient shall, and shall cause BEE to, 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, and shall cause BEE to, ensure that interim unaudited financial reports for Parts A.4, A.5, C and D.1 of the Project are prepared and furnished to the World Bank as part of the Project Report not later than forty-five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

3. The Recipient shall, and shall cause BEE to, have its Financial Statements for Parts A.4, A.5, C and D.1 of 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 nine (9) months after the end of such period.

Section III. Procurement

A. General

1. **Procurement and Consultant Guidelines.** All goods and services required for Parts A.4, A.5, C and D.1 of the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

   (a) Section I of the Procurement Guidelines in the case of goods, non-consulting services, and Sections I and IV of the Consultant Guidelines in the case of consulting services; and

   (b) the provisions of this Section III, as the same shall be elaborated in the procurement plan dated February 19, 2010 for the Project, prepared and updated from time to time by the Recipient in a manner satisfactory to the World Bank 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 the Procurement Guidelines, or Consultant Guidelines, as the case may be.
B. Particular Methods of Procurement of Goods and Non-Consulting Services

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

2. **Other Methods of Procurement of Goods and Non-Consulting Works.** Other than International Competitive Bidding, the following methods may be used for procurement of goods and non-consulting works for those contracts specified in the Procurement Plan:

| (a) National Competitive Bidding, subject to the additional provisions listed in the Procurement Plan |
| (b) Shopping |
| (c) Direct Contracting |

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.** Other than Quality- and Cost-based Selection, the following methods may be used for procurement of consultants’ services for those assignments which are specified in the Procurement Plan:

| (a) Quality-based Selection |
| (b) Least Cost Selection |
| (c) Selection based on Consultants’ Qualifications |
| (d) Selection under a Fixed Budget |
| (e) Single-source Selection of consulting firms |
| (f) Selection of Individual Consultants |
| (g) Sole Source Procedures for the Selection of Individual Consultants |

D. Review by the World Bank of Procurement Decisions

1. 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. For avoidance of doubts, the World Bank shall be entitled to conduct, at any time, independent procurement reviews of all the contracts financed under the Grant.
Section IV. Withdrawal of Grant Proceeds

A. General

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant ("Category"), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Training and services under Parts A.4, A.5, C and D.1 of the Project</td>
<td>2,831,978</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Incremental Operating Costs under Parts A.4, A.5, C, and D.1 of the Project</td>
<td>323,022</td>
<td>100%</td>
</tr>
<tr>
<td>SUBTOTAL</td>
<td>3,155,000</td>
<td></td>
</tr>
<tr>
<td>Cancellation as of December 24, 2014</td>
<td>515,000</td>
<td></td>
</tr>
<tr>
<td>Total Original Grant + Additional Grant</td>
<td>3,670,000</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, except that: (i) withdrawals up to an aggregate amount not to exceed $180,000 may be made for payments made prior to September 13, 2010 but on or after February 19, 2010; and (ii) withdrawals up to an aggregate amount not to exceed $1,555,000 may be made for payments made prior to the date of this Agreement but on or after September 13, 2010, for Eligible Expenditures.
2. The Closing Date referred to in Section 3.06(c) of the Standard Conditions is May 4, 2019.
APPENDIX

Definitions

1. "Amended and Restated SIDBI Grant Agreement" means the amended and restated grant agreement of even date herewith between the World Bank and SIDBI for the additional financing of Parts A.1, A.2, A.3, B and D.2 of the Project and referred to in Whereas (E) in the preamble to this Agreement.


3. "BEE" means Bureau of Energy Efficiency, a statutory body under the Recipient's Ministry of Power, established under the Energy Conservation Act of 2001, with the goal to promote energy efficiency in India.

4. "BEE Project Operations Manual" means the Project Operations Manual, satisfactory to the World Bank, and referred to in Paragraph A.2 of Section I of Schedule 2 to this Agreement issued by the Recipient on February 19, 2010, for the purpose of carrying out Parts A.4, A.5, C and D.1 of the Project, setting out, inter alia, work programs, training programs, implementation time-tables, key performance indicators, financial and procurement methods and procedures, expected outputs-outcomes, terms of reference of various national and local committees, and monitoring and evaluation planning and reporting to be used in the implementation of Parts A.4, A.5, C and D.1 the Project, as the same may be amended from time to time, with the approval of the World Bank, and such term includes any schedules to the BEE Project Operations Manual.

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

6. "Consultant Guidelines" means: (a) except as provided in subparagraph (b) below, 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); and (b) in the case of contracts financed or to be financed, in whole or in part, out of the proceeds of the Grant, and for which the invitation to bid was issued prior to the date of this Agreement, "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" published by the World Bank in May 2004 and revised in October 2006.

7. "Grant" means, collectively, the Original Grant and the Additional Grant.

8. "Incremental Operating Costs" means the costs of fees for individual consultants hired as part of the PMU administrative staff, and the reasonable costs for
operational travel of PMU staff and consultants, communication expenses, workshop/seminar and vehicle rental, but excluding the salaries of the Recipient’s civil service.

9. "Memorandum of Understanding" means the memorandum of understanding, satisfactory to the World Bank, entered into between BEE and SIDBI on April 27, 2010, and clarifying areas of collaboration and ways for cooperation for implementing the Project.

10. “Original Grant Agreement” means the grant agreement dated September 13, 2010 between the Recipient and the World Bank, as amended on January 5, 2015, for the financing of Parts A.4, A.5, C and D.1 of the Project and referred to in Whereas (A) in the preamble to this Agreement.

11. “Original Project” means the Project described in Schedule 1 to the Original Grant Agreement and referred to in Whereas (A) in the preamble to this Agreement.

12. “Original SIDBI Grant Agreement” means the grant agreement dated September 13, 2010, as amended on December 31, 2014, between the World Bank and SIDBI, for the financing of Parts A.1, A.2, A.3, B and D.2 of the Project and referred to in Whereas (B) in the preamble to this Agreement.

13. “Procurement Guidelines” means: (a) except as provided in subparagraph (b) below, 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); and (b) in the case of contracts financed or to be financed, in whole or in part, out of the proceeds of the Grant, and for which the invitation to bid was issued prior to the date of this Agreement, “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the World Bank in May 2004 and revised in October 2006.

14. “Project Management Unit” or “PMU” means the Project Management Unit, established by the Recipient on December 1, 2009, and referred to in Part A.1 of Section 1 of Schedule 2 to this Agreement.
