GEF GRANT NUMBER TF090454 RELATED TO LOAN NUMBER 7465-YF

Global Environment Facility Grant Agreement

(Transitional Agriculture Reform Project)

between

REPUBLIC OF SERBIA

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

acting as an Implementing Agency of the Global Environment Facility

Dated July 27, 2007

GEF GRANT NUMBER TF090454 RELATED TO LOAN NUMBER 7465-YF

GLOBAL ENVIRONMENT FACILITY GRANT AGREEMENT

AGREEMENT dated July 27, 2007, entered into between REPUBLIC OF SERBIA ("Recipient") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("the Bank"), acting as an implementing agency of the Global Environment Facility ("GEF").

The Recipient and the Bank hereby agree as follows:

Article I

Standard Conditions; Definitions

- 1.01. The Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated July 20, 2006 ("Standard Conditions"), constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement.

Article II

The Project

- 2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement ("Project"). To this end, the Recipient shall carry out the Project, through the MAFWM, 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 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 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 five hundred thousand United States Dollars (\$4,500,000) ("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.

Article IV

Remedies

- 4.01 The Additional Event of Suspension consists of the following:
 - (a) Subject to subparagraph (b) of this paragraph, the right of the Recipient to withdraw the proceeds of the Loan shall have been suspended, cancelled, terminated, or become due and payable prior to its agreed maturity, in whole or in part, pursuant to the terms of the Loan Agreement.
 - (b) Subparagraph (a) of this paragraph shall not apply if the Recipient establishes to the satisfaction of the Bank that:
 - (i) such suspension, cancellation, termination or prematuring is not caused by the failure of the Recipient to perform any of its obligations under the Loan Agreement; and
 - (ii) adequate funds for the Project are available to the Recipient from other sources on terms and conditions consistent with the obligations of the Recipient under the Loan Agreement.

Article V

Effectiveness; Termination

- 5.01. This Agreement shall not become effective until evidence satisfactory to the Bank has been furnished to the 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 and corporate action.
 - (b) The Loan 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 has adopted and submitted to the Bank, the Stara Planina Rural and Biodiversity Conservation Grant Manual, satisfactory to the Bank.

- (d) The Recipient has established the GEF Program Implementation Team in a manner, and with composition and terms of reference, satisfactory to the Bank.
- 5.02. As part of the evidence to be furnished pursuant to Section 5.01 (a), there shall be furnished to the Bank an opinion or opinions satisfactory to the Bank of counsel acceptable to the Bank, showing that this Agreement has been duly authorized or ratified by, and executed and delivered on its behalf and is legally binding upon it in accordance with its terms.
- 5.03. Except as the Recipient and the Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.
- 5.04. *Termination for Failure to Become Effective*. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date 90 days after the date of this Agreement, unless the Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The Bank shall promptly notify the Recipient of such later date.

Article IV

Recipient's Representative; Addresses

- 6.01. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is the Minister of Finance.
- 6.02. The Recipient's Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Finance Government of the Republic of Serbia Kneza Miloša 20 11000 Belgrade Republic of Serbia

Facsimile:

381-11-3618-961

6.03. The 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 Belgrade, Republic of Serbia, as of the day and year first above written.

REPUBLIC OF SERBIA

By /s/ Mirko Cvetkovic

Authorized Representative

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

By /s/ Simon Gray

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to assist the Recipient in its efforts to enhance the competitiveness of its agricultural system and to conserve the globally important eco-system in the Stara Planina mountainous area.

The Project consists of the following parts:

Part 1: Strengthening the Agriculture and Rural Development Support System

Enhancing the Payments and Programming System through strengthening the capacity of the Sector for Agrarian Operations and the Sector for Agriculture and Rural Development of the MAFWM for processing and administering Rural Development Grant programs, including, *inter alia*, institutional strengthening, provision of information technology hardware and data processing software, and updating and dissemination of an IPA-RD compliant rural development plan.

Part 2: Building Knowledge and Capacity of Agricultural Producers and Processors

- (a) Improving agricultural extension delivery including:
 - (i) strengthening capacity of the MAFWM through the expansion of the DRDES within the MAFWM, adoption of an Agricultural Extension Strategy and management of extension delivery by extension service providers; and
 - (ii) provision of incremental funding to support extension service contracts, including training of extension contractors, extension services to farmers and advisory support to Rural Development Grant applicants.
- (b) Improving applied research delivery through the provision of incremental funding for applied research contracts to finance applied agricultural research to accredited research institutes and accredited researchers.
- (c) Developing stakeholder representation in local extension and applied research management.

Part 3: Management of the Stara Planina Nature Park

(a) Provision of technical assistance, works, training and equipment to Srbijasume for the preparation of management and operational plans for the SPNP, public awareness raising, strengthening cooperation between local authorities and communities, and trans-boundary cooperation, ecological restoration of priority sites and establishing an ecological monitoring system, development and certification of "SPNP-branded" products,

provision of incentives to farmers and civil society for maintaining rare indigenous livestock breeds; and development of small scale infrastructure to support rural/eco-tourism.

(b) Provision of Rural Development Grants to support the introduction of sustainable farming and forestry practices in the SPNP area.

Part 4: Project Management and Coordination

Provision of technical assistance, training, and goods for Project implementation, including, procurement and financial management, monitoring and evaluation and reporting.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional and Other Arrangements

The Recipient shall ensure that the Project is carried out in accordance with the following institutional and other arrangements:

- 1. The MAFWM shall be responsible for overall implementation of the Project.
- 2. The SAO, within the MAFWM, shall be responsible for implementation of the technical aspects of the rural development payments under Part 1 of the Project; and the SARD, within the MAFWM, shall be responsible for rural development planning under Part 1 of the Project.
- 3. The DRDES shall be responsible for implementation of Part 2 of the Project; and the ISAA shall be contracted to administer contracts for applied research and extension support under Part 2 of the Project.
- 4. The DGR, within the MAFWM, shall be responsible for implementation of the agrobiodiversity and Rural Development Grants under Part 3 of the Project.

5. Project Implementation Team

- (a) The PIT, within the MAFWM, shall be responsible for day-to-day implementation of the Project, including procurement, preparation of Project reports, staff management and Project monitoring and evaluation.
- (b) The PIT shall be assisted by the GEF Program Implementation Team to be based in the Stara Planina region, which shall be responsible for day-to-day implementation of the technical aspects under Part 3 of the Project.

B. Implementation Covenants

- 1. The Recipient shall, throughout Project implementation, maintain the MAFWM, including the DRDES, SARD, DGR and SAO, with sufficient human, technical and financial resources.
- 2. The Recipient shall ensure that, by no later than March 31, 2008, the MAFWM has contracted the ISAA to administer contracts for applied research and extension support under terms and conditions satisfactory to the Bank.
- 3. The MAFWM shall, throughout Project implementation, establish and maintain the PIT within its structure, including the GEF Program Implementation Team, with composition,

terms of reference and resources satisfactory to the Bank. To this end, the PIT shall be headed by a Project coordinator, and staffed with, *inter alia*, a Project administrator, a senior finance specialist and a procurement specialist, all with qualifications, experience and terms of reference satisfactory to the Bank.

- 4. The Recipient shall implement the Project in accordance with the criteria, policies and procedures set forth in the Project Operational Manual, and shall not amend, or waive, or permit to be amended or waived, any provision of the Project Operation Manual, except with prior written approval of the Bank.
- 5. The Recipient shall: (a) take all measures necessary to carry out the measures identified under the Environmental Management Plan at all times in a timely manner, ensuring that adequate information on the implementation of said measures is suitably included in the Project reports to be prepared pursuant to the provisions of Section II.A of this Schedule; and (b) ensure that the EMP or any of its provisions, shall not be amended, suspended, abrogated, terminated or waived or permitted to be amended, suspended, abrogated, terminated or waived, except with the prior written approval of the Bank.

C. Sub-projects

- 1. For purposes of Part 3 (b) of the Project, the Recipient shall make Rural Development Grants to Beneficiaries for financing Sub-projects in accordance with eligibility criteria and procedures acceptable to the Bank and set forth in the Stara Planina Rural and Biodiversity Conservation Grant Manual.
- 2. The Recipient shall make each Rural Development Grant under a Rural Development Grant Agreement with the respective Beneficiary on terms and conditions approved by the Bank which shall include the following:
 - (a) The Rural Development Grant shall be made on grant basis.
- The Recipient shall obtain rights adequate to protect its interests and those of the Bank, including the right to: (i) suspend or terminate the right of the Beneficiary to use the proceeds of the Rural Development Grant, or obtain a refund of all or any part of the amount of the Rural Development Grant then withdrawn, upon the Beneficiary's failure to perform any of its obligations under the Rural Development Grant Agreement; and (ii) require each Beneficiary to: (A) carry out its Sub-project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Bank; (B) provide, promptly as needed, the resources required for the purpose; (C) procure the goods, works and services to be financed out of the Rural Development Grant in accordance with the provisions of this Agreement; (D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Bank, the progress of the Sub-project and the achievement of its objectives; (E) (1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner; adequate to reflect the operations, resources and expenditures related to the Sub-project; and (2) at the Bank's or the Recipient's request, have such financial

statements audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank, and promptly furnish the statements as so audited to the Recipient and the Bank; (F) enable the Recipient and the Bank to inspect the Sub-project, its operation and any relevant records and documents; and (G) prepare and furnish to the Recipient and the Bank all such information as the Recipient or the Bank shall reasonably request relating to the foregoing.

3. The Recipient shall exercise its rights under each Rural Development Grant Agreement in such manner as to protect the interests of the Recipient and the Bank and to accomplish the purposes of the Loan. Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive any Rural Development Grant Agreement or any of its provisions.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

- 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 agreed with the Bank. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Bank not later than forty five days 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 Bank not later than six (6) months after the Closing Date.

B. Financial Management; Financial Reports; Audits

- 1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.
- 2. The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the Bank not later than forty five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the 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 audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for such period shall be furnished to the Bank not later than six months after the end of such period.

Section III. <u>Procurement</u>

A. General

- 1. **Procurement and Consultant Guidelines.** All goods, works and 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:
- (a) Section I of the "Guidelines for Procurement under IBRD Loans and IDA Credits" published by the Bank in May 2004 ("Procurement Guidelines") in the case of goods, works and services other than consultants' services), and Sections I and IV of the "Guidelines: Selection and Employment of Consultants by Bank Borrowers" published by the Bank in May 2004 ("Consultant Guidelines") in the case of consultants' services; and
- (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 1.16 of the Procurement Guidelines and paragraph 1.24 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 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, Works and Services (other than Consultants' services)
- 1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and services (other than consultants' services) shall be procured under contracts awarded on the basis of International Competitive Bidding.
- 2. Other Methods of Procurement of Goods, Works and Services (other than Consultants' Services). The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods, works and services (other than consultants' services). The Procurement Plan shall specify the circumstances under which such methods may be used.

Procurement Method (a) National Competitive Bidding, subject to modifications set out in the Annex to this Schedule. (b) Shopping (c) Direct Contracting (d) Commercial Practice

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 table specifies the methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used.

Procurement Method

- (a) Least Cost Selection
- (b) Selection Based on Consultants' Qualifications
- (c) Procedures set forth in paragraphs 5.2, 5.3 and 5.4 of the Consultants' Guidelines for the Selection of Individual Consultants
- (d) Single Source Selection

D. Review by the Bank of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Bank's Prior Review. All other contracts shall be subject to Post Review by the 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 Bank may specify by notice to the Recipient (including the "Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the 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:

Category	Amount of the Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed
(1) Goods, works and consultants' services under Parts 3(a) and 4 of the Project	2,800,000	100%
(2) Rural Development Grants under Part 3(b) of the Project	1,700,000	75%
TOTAL AMOUNT	4,500,000	

B. Withdrawal Conditions; Withdrawal Period

- 1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made:
- (a) prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed \$550,000 equivalent may be made for payments made prior to this date but on or after May 25, 2007, for Eligible Expenditures under Category (1); and
- (b) under Category (2), unless the Recipient has established the Stara Planina Advisory Committee, with composition and terms of reference satisfactory to the Bank.
- 2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 31 2011.

ANNEX

National Competitive Bidding: Additional Provisions

For purposes of using National Competitive Bidding Procedures, the following shall apply:

(a) Registration

- (i) Bidding shall not be restricted to pre-registered firms.
- (ii) Where registration is required, bidders: (1) shall be allowed a reasonable amount of time to complete the registration process; and (2) shall not be denied registration for reasons unrelated to their capability and resources to successfully perform the contract, which shall be verified through post-qualification.
- (iii) Foreign bidders not from the territory of the Recipient shall not be precluded from bidding. If a registration process is required, a foreign bidder declared the lowest evaluated bidder shall be given a reasonable opportunity to register.

(b) Advertising

Invitations to bid in Serbian shall be advertised in at least one widely circulated local daily newspaper available over the territory of the Recipient allowing a minimum of 30 days for the preparation and submission of bids.

(c) Participation by Publicly-owned enterprises

Publicly-owned enterprises 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 a dependent agency of the contracting authority. Furthermore, they will be subject to the same bid and performance security requirements as other bidders.

(d) Bidding Documents

Procuring entities shall use the appropriate standard bidding documents for the procurement of works or services, acceptable to the Bank.

(e) Bid Opening and Bid Evaluation

(i) Bids shall be submitted in a single envelope containing the bidder's qualification information, technical and price bids, which shall be opened simultaneously at the public bid opening.

- (ii) Bids shall be opened in public, immediately after the deadline for submission of bids. The name of the bidder, the total amount of each bid and any discounts offered shall be read aloud and recorded in the minutes of the public bid opening.
- (iii) Evaluation of bids shall be made in strict adherence to the monetarily quantifiable criteria declared in the bidding documents. No merit point system will be used.
- (iv) Extensions of bid validity will be allowed once only for not more than 30 days. No further extensions shall be requested without the prior approval of the Bank.
- (v) Contracts shall be awarded to the qualified bidder having submitted the lowest-evaluated, substantially responsive bid and no negotiation shall take place.

(f) Price Adjustment

Civil works contracts of long duration (more than 18 months) shall contain an appropriate price adjustment clause.

(g) Rejection of Bids

- (i) All bids shall not be rejected and new bids solicited without the Bank's prior concurrence.
- (ii) When the number of bids received is less than three, re-bidding shall not be carried out without the Bank's prior concurrence.

(h) Securities

Bid security shall not exceed 3 percent of the estimated cost of the contract and performance security not more than 10% of this cost. No advance payment at the amount of more than 10% of the contract price shall be made to contractors without a suitable advance payment security. These securities shall be included in the bidding documents in a text and format acceptable to the Bank.

APPENDIX

Definitions

- 1. "Agricultural Extension Strategy" means the extension strategy regulating contracts for extension services under Part 2 of the Project.
- 2. "Beneficiary" means a recipient of a Rural Development Grant under Part 3 of the Project, selected in accordance with the eligibility criteria set forth in the Stara Planina Rural and Biodiversity Conservation Grant Manual, and "Beneficiaries" means more than one such Beneficiary.
- 3. "Category" means a category set forth in the table in Section IV of Schedule 4 to this Agreement.
- 4. "Consultant Guidelines" means the "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" published by the Bank in May 2004.
- 5. "DGR" means the Division for Genetic Resources within the MAFWM or any successor thereto.
- 6. "DRDES" means the Department of Rural Development and Extension Services within the MAFWM, or any successor thereto.
- 7. "Environmental Management Plan" or "EMP" means the plan, satisfactory to the Bank, dated April 27, 2007, describing the environmental mitigation, monitoring and institutional measures under the Project and referred to in paragraph B.5 of Section I of Schedule 2 to this Agreement.
- 8. "Financial Management Manual" means the manual to be adopted by the Recipient, and satisfactory to the Bank, setting out the policies and procedures relating to Project financial management, financial reporting and internal controls.
- 9. "GEF Program Implementation Team" means the Global Environment Facility implementation team referred ti in Section I.A.4 and B.3 of Schedule 2 to this Agreement.
- 10. "IPA-RD" means the Instrument for Pre-accession Assistance for Rural Development, the financial instrument of the European Community for pre-accession assistance within the framework of the European partnerships of the potential candidate countries and the ascension partnerships of the candidate country.
- 11. "ISAA" means the Institute for Science Application in Agriculture, the Recipient's institution responsible for coordinating extension services, or any successor thereto.
- 12. "Loan" means the loan provided for in the Loan Agreement.

- 13. "Loan Agreement" means the agreement between the Recipient and IBRD, providing a loan in support of the Project.
- 14. "MAFWM" means the Recipient's Ministry of Agriculture, Forestry and Water Management, or any successor thereto.
- 15. "Payments and Programming System" means, as the case may be, the harmonized and EU-compatible programming, administration and fiduciary system for agriculture and rural development payments to be prepared by the MAFWM.
- 16. "Procurement Guidelines" means the "Guidelines: Procurement under IBRD Loans and IDA Credits" published by the Bank in May 2004.
- 17. "Project Implementing Team" or "PIT" means the team to be established by the Recipient with responsibility for implementing the day to day activities of the Project.
- 18. "Procurement Plan" means the Recipient's procurement plan for the Project, dated May 25, 2007 and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
- 19. "Project Operational Manual" means the manual to be adopted by the Recipient and satisfactory to the Bank, setting forth the operational and administrative responsibilities, procedures and rules for the implementation of the Project, including the Financial Management and Stara Planina Rural and Biodiversity Conservation Grant Manuals, as the same may be amended and supplemented from time to time with the Bank's prior written approval.
- 20. "Rural Development Department" means the department within the MAFWM responsible for rural development, or any successor thereto
- 21. "Rural Development Grant" means a grant to develop agricultural competitiveness and rural productivity, made or proposed to be made under Part 3(b) of the Project; and "Rural Development Grants" means more than one such grant.
- 22. "Rural Development Grant Agreement" means the agreement entered into by the Recipient and the Beneficiary, referred to in paragraph C.2 of Section 1 of Schedule 2 to this Agreement.
- 23. "SAO" means the Sector for Agrarian Operations within the MAFWM, or any successor thereto.
- 24. "SARD" means the Sector for Agriculture and Rural Development within the MAFWM, or any successor thereto.
- 25. "SPNP" means the Stara Planina Nature Park.

- 26. "Srbijasume" means the management authority operating in the SPNP, or any successor thereto.
- 27. "Stara Planina Advisory Committee" means the committee to be established under the Project with responsibility of approving the applications for Grants.
- 28. "Stara Planina Rural and Biodiversity Conservation Grant Manual" means the manual to be adopted by the Recipient and satisfactory to the Bank, setting forth the processes, procedures and internal controls for the administration of the competitive grant mechanism under Part 3 of the Project.
- 29. "Sub-project(s)" means the sub-project(s) to be carried out by the Beneficiaries under the Rural Development Grant Agreement.