

Public Disclosure Authorized

CONFORMED COPY

---

---

GEF GRANT NUMBER TF096993

# **Global Environment Facility Grant Agreement**

(Integrated Solid Waste Management Project)

between

REPUBLIC OF BELARUS

and

INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT

acting as an Implementing Agency of the Global Environment Facility

Dated July 5, 2010

---

---

**GEF GRANT NUMBER TF096993**

**GLOBAL ENVIRONMENT FACILITY  
GRANT AGREEMENT**

AGREEMENT dated July 5, 2010, entered into between: REPUBLIC OF BELARUS (“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**

- 1.01. The Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated July 1, 2008 (“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 the Loan Agreement of the same day between the Recipient and International Bank for Reconstruction and Development (Loan Agreement), 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 Part C of the Project through MNREP 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 five million five hundred thousand United States Dollars (\$5,500,000) (“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.
- 3.03. The Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions. In accordance with Section 3.02 of the Standard Conditions, the Recipient may withdraw the Grant proceeds subject to the availability of such funds.

### **Article IV**

#### **Effectiveness; Termination**

- 4.01. The conditions of effectiveness consist as follows:
  - (a) The Loan Agreement has been executed and delivered and all conditions precedent to its effectiveness, except only the effectiveness of this GEF Grant Agreement, have been fulfilled.
  - (b) The Recipient, through the MNREP, has installed and made operational an automated accounting system, satisfactory to the World Bank.

### **Article V**

#### **Recipient’s Representative; Addresses**

- 5.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is the Deputy Prime Minister of the Recipient.
- 5.02. The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

Council of Ministers  
House of Government  
Minsk, 220010  
11 Sovetskaya Street  
Republic of Belarus

Facsimile

375 17 2226665

- 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  
Washington, D.C.

248423 (MCI) or  
64145 (MCI)

1-202-477-6391

AGREED at Minsk, Republic of Belarus, as of the day and year first above written.

REPUBLIC OF BELARUS

By /s/ Vladimir G. Tsalko

Authorized Representative

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

By /s/ Ivan Velev

Authorized Representative

## **SCHEDULE 1**

### **Project Description**

The objectives of the Project are to: (i) increase environmental benefits of integrated solid waste management in the City of Grodno through recovery and reuse of recyclable materials; and (ii) strengthen national capacity to manage hazardous wastes associated with Persistent Organic Pollutants (POPs).

The Project consists of the following parts:

#### Part A: Construction of Mechanical Waste Separation Facility

Provision of goods, works and consultants services for design, construction and supervision in the City of Grodno of a modern mechanical waste separation plant to recover recyclable materials.

#### Part B: Waste Management Improvements

Provision of goods and consultants' services to improve the collection of separated waste in the City of Grodno, including carrying out of public information and awareness raising activities.

#### Part C: Persistent Organic Pollutants (POPs) Stockpile Management

1. Provision of works, goods and technical assistance, including training to: (a) ensure environmentally sound management of the destruction of high-priority stockpiles of POPs and associated contaminated equipment; (b) provide secure storage for lower risk stockpiles; and (c) support in planning infrastructure to manage future POPs generation.
2. Provision of technical assistance and training to: (a) strengthen the Recipient's capacity in the implementation of the National Implementation Plan; (b) integrate POPs into established national environmental and health monitoring and environmental information systems; and (c) define a long term elimination program for unintended POPs release, including public information and awareness raising activities.
3. Provision of technical assistance and training to ensure acceptable coverage of POPs within the overall national regulatory and legislative framework of solid waste management
4. Provision of technical assistance and training to finance staffing for MNREP to ensure fiduciary and reporting requirements for the Project are adhered to. Provision of Incremental Operating Costs to strengthen MNREP.

Part D: Project Management and other Support Activities

Strengthening the management capacity of the PCT to monitor and administer the Project implementation, including training, financial audit and Incremental Operating Costs.

## **SCHEDULE 2**

### **Project Execution**

#### **Section I. Institutional and Other Arrangements**

- A.**
1. The Recipient shall, through the MNREP, carry the overall responsibility for implementing Part C of the Project with such staff and resources as shall be required during the execution of the Project, all in accordance with the Operational Manual for Part C of the Project. Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Operational Manual for Part C of the Project or any provision thereof.
  2. The Recipient, through the MNREP, shall ensure that all necessary measures are taken to maintain a coordination unit during the execution of the Project with such staff and resources as shall be required for it to perform its duties in respect of the day-to-day management and implementation of Part C of the Project.
  3. The Recipient shall:
    - (a) prepare, under terms of reference satisfactory to the World Bank, and furnish to the World Bank, on or about February 28, 2012, or such later date as the Bank shall agree, a report integrating the results of the monitoring and evaluation of activities under Part C of the Project, on the progress achieved in the carrying out of the Part C of the Project during the period preceding the date of said report and setting out the measures recommended to ensure the efficient carrying out of the Part C of the Project and the achievement of the objectives thereof during the period following such date; and
    - (b) review with the World Bank, by June 15, 2012 or such later date as the Bank shall request, the report referred to in paragraph (a) of this Section, and, thereafter, take all measures required to ensure the efficient completion of Part C of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of the said report and the World Bank's views on the matter.

#### **B. Anti-Corruption**

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 ("Anti-Corruption Guidelines").



**C. Safeguards**

The Recipient shall ensure that all measures necessary for the carrying out of the EMP for Part C of the Project shall be taken in a timely manner. Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the EMP for Part C of the Project or any provision thereof.

**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 the indicators agreed with 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 not later than three (3) 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 World Bank not later than forty-five days after the end of each calendar quarter, covering the 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 months after the end of such period.

### **Section III. Procurement**

#### **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: Procurement under IBRD Loans and IDA Credits” published by the World Bank in May 2004 and revised in October 2006 (“Procurement Guidelines”) in the case of goods and works, and Sections I and IV of the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the World Bank in May 2004 and revised in October 2006 (“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 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 Works**

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods and Works.** The following methods, other than International Competitive Bidding, may be used for procurement of goods and works for those contracts specified in the Procurement Plan which the World Bank agrees meet the requirements set forth in the Procurement Guidelines for their use:
  - (a) National Competitive Bidding, subject to the following additional provisions:
    - (i) there shall be no eligibility restrictions based on nationality of bidder and/or origin of goods;

- (ii) pre-qualification shall not be used for simple goods and works procurement and shall be conducted only for large works projects;
- (iii) entities in which the State or a State official owns a shareholding of whatever size shall not be invited to participate in tenders for the Government, unless they are and can be shown to be legally and financially autonomous and they operate under commercial law;
- (iv) no national preferences may be applied on the basis of the origin of products or labor;
- (v) joint venture partners shall be jointly and severally liable for their obligations;
- (vi) no "participation fee" shall be required of bidders for the purchase of bidding documents. The only charge shall be equivalent to the cost of producing (copying) the bidding documents;
- (vii) bids may be rejected where bid prices are substantially higher from the existing budget, in accordance with paragraphs 2.61-2.63 of the Guidelines;
- (viii) rebidding shall not be carried out without prior approval of the Bank;
- (ix) works contracts of more than eighteen (18) months' duration shall include appropriate price adjustment provisions; and
- (x) prior approval of the World Bank shall be required for any modification in the contract scope and conditions during implementation.
- (xi) **Fraud and Corruption.** The World Bank shall declare a firm or individual ineligible, either indefinitely or for a stated period, to be awarded a contract financed by the Bank, if it at any time determines that the firm or individual has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for, or in executing, a contract financed by the World Bank.

(xii) Right to Inspection/audit. Each bidding document and contract financed from the proceeds of the Grant shall include a provision requiring bidders, suppliers, contractors and sub-contractors to permit the World Bank, at its request, to inspect their accounts and records relating to the bid submission and performance of the contract and to have said accounts and records audited by auditors appointed by the World Bank. The deliberate and material violation by the bidder, supplier, or contractor or subcontractor of such provision may amount to obstructive practice.

- (b) Shopping;
- (c) Direct Contracting; and
- (d) Force Account.

**C. Particular Methods of Procurement of Consultants' Services**

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.
2. **Other Methods of Procurement of Consultants' Services.** The following methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants' services for those assignments which are specified in the Procurement Plan which the Bank agrees meet the requirements set forth in the Consultant Guidelines for their use: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants' Qualifications; (e) Single-source Selection; (f) Selection of Individual Consultants; and (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.

**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 3 below.

2. Notwithstanding paragraph 1 above, the proceeds of the Grant will not be withdrawn to pay for Taxes levied by, or in the territory of, the Republic of Belarus on or in respect of Eligible Expenditures, or on their importation, manufacture, procurement or supply.
3. 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:

<b>Category</b>	<b>Amount of the Grant Allocated (expressed in USD)</b>	<b>Percentage of Expenditures to be Financed (Exclusive of Taxes)</b>
(1) Goods, works, consultants’ services’ and Incremental Operating Costs under Part C of the Project	5,500,000	100%
<b>TOTAL AMOUNT</b>	5,500,000	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made for payments made 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, 2013.