

23-Aug-2021

Dr. Bhishma P. Subedi
Executive Director
Asia Network for Sustainable Agriculture and Bioresources (ANSAB)
P.O. Box 11035,
Kathmandu, Nepal

Re: FCPF Grant No. TF0B6544
Asia-Pacific FCPF Capacity Building Project on REDD+
Letter Agreement

Dear Dr. Subedi:

In response to the request for financial assistance made on behalf of Asia Network for Sustainable Agriculture and Bioresources (ANSAB) (“Recipient”), I am pleased to inform you that the International Bank for Reconstruction and Development (“Bank”), acting as administrator of grant funds provided by contributors (“Donors”) under the Readiness Fund of the Forest Carbon Partnership Facility, proposes to extend to the Recipient for the benefit of Participating Countries (“Participating Countries”), a grant in an amount not to exceed four hundred sixty thousand United States Dollars (\$460,000) (“Grant”) on the terms and conditions set forth or referred to in this letter agreement (“Agreement”), which includes the attached Annex, to assist in the financing of the project described in the Annex (“Project”).

This Grant is funded out of the abovementioned trust fund for which the Bank receives periodic contributions from the Donors. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the 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.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.

Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions (as defined in Section 1.02 below) constitute an integral part of this Agreement.

1.02. **Definitions.** 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 Section:

- (a) “Anti-Corruption Guidelines” means, for purposes of paragraph 2 of the Appendix to the Standard Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006, and revised in January, 2011, and as of July 1, 2016.
- (b) “Category” means a category set forth in the table in Section 3.01 of this Agreement.
- (c) “CSO” means a civil society organization legally established and operating in the Participating Country’s territory and selected according to criteria agreed between the Recipient and the World Bank; and “CSOs” means the plural thereof.
- (d) “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated June 04, 2021, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
- (e) “Environmental and Social Standards” or “ESSs” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Bank.
- (f) “FCPF” means the Forest Carbon Partnership Facility.
- (g) “Incremental Operating Costs” means the reasonable costs incurred on account of the implementation of the Project (which expenditures would not have been incurred absent the Project) including local contractual support staff salaries, consumable materials and

supplies (including office supplies), office equipment, communications, translation services, mass media and printing services, operation and maintenance, charges for opening and operation of bank accounts required for the project, postage and handling, travel, lodging and per diems for Project staff travelling for the purpose of the Project, and salaries of staff of the Recipient, but excluding benefits to Project staff.

- (h) “Management Committee” means a committee headed by the Recipient’s Executive Director and comprised of the Recipient’s heads of programs and chief of administration and finance unit, which oversees and provides guidance to the Secretariat, reviews and approves the project’s key implementation documents such as the Project Operational Manual, and verifies grievances and develops action plans in the Projects’ grievance redress mechanism.
- (i) “Participating Countries” means the following Member Countries: Kingdom of Bhutan, Kingdom of Cambodia, Republic of Fiji, Republic of Indonesia, Lao People’s Democratic Republic, Nepal, Islamic Republic of Pakistan, Independent State of Papua New Guinea, Kingdom of Thailand, Republic of Vanuatu and Socialist Republic of Vietnam.
- (j) “Project Operational Manual” means the manual, satisfactory to the World Bank, setting forth, inter alia, detailed arrangement and procedures for: (i) institutional coordination and day-to-day execution of the Project; (ii) disbursement, environmental and social framework and financial management; (iii) procurement; (iv) consultations with relevant CSOs and local community organizations regarding implementation of Sub-projects under the Project, and disclosure of relevant information; (v) eligibility criteria and procedures for the selection of sub-projects under Part 1 of the Project; (vi) a grievance mechanism process; and (vii) monitoring and evaluation of the Project as well as achievements of the Project objectives, as the same may be modified from time to time with the prior written agreement of the World Bank, and such term includes any annexes or schedules to such manual.
- (k) “REDD+” means reducing emissions from deforestation and forest degradation conservation of forest carbon stocks, sustainable management of forest, and enhancement of forest carbon stocks.
- (l) “Procurement Regulations” means, for purposes of paragraph 20 of the Appendix to the Standard Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated November 2020.
- (m) “Regional Advisory Committee” or the acronym “RAC” means an independent Asia-Pacific regional advisory committee to be established by the Recipient, consisting of members with strong technical knowledge of the REDD+, in order to review eligible proposals, and provide support and advice to the Project on technical issues.
- (n) “Standard Conditions” means the “International Bank for Reconstruction and Development and International Development Association Standard Conditions for Grant Financing Made by the Bank out of Trust Funds”, dated February 25, 2019.
- (o) “Sub-project” means a specific capacity building and/or awareness raising activity to be carried out by a civil society or local community organization under Part 1 of the Project through consultation contracts.

- (p) “Training” means the reasonable costs associated with training and workshops participation under the Project, consisting of travel and subsistence costs for training participants, costs (other than consulting services) associated with securing the services of trainers and presenters, rental of training facilities, translation and interpretation services, preparation and reproduction of training materials.

Article II Project Execution

2.01. ***Project Objectives and Description.*** The objective of the Project is to strengthen the engagement of targeted forest-dependent beneficiaries in REDD+ processes and decision making at the country and regional levels. The Project consists of the following parts:

Part 1: National Capacity Building and Awareness Raising

Provision of Sub-grants to support REDD+ capacity building and awareness raising for forest-dependent indigenous peoples, ethnic minorities, civil society, and their representative organizations and networks.

Part 2: Regional Exchange and Sharing of Lessons Learned

Support to finance launch and lessons-learned workshops to provide capacity building and exchange information among indigenous peoples’ organizations and civil society organizations, and to enhance regional dialogue on REDD+.

Part 3: Management, Monitoring and Evaluation and Reporting

Support to the Recipient for the management of the Project, including their fiduciary, environmental and social aspects, as well as capacity building through joint workshops.

2.02. ***Project Execution Generally.*** The Recipient declares its commitment to the objective[s] of the Project. To this end, the Recipient shall carry out the Project in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the Anti-Corruption Guidelines; and (c) this Article II.

2.03. ***Institutional and Other Arrangements.***

Secretariat

- (a) The Recipient shall maintain for the duration of the Project, a Secretariat comprising of staff with experience and qualification under terms of reference acceptable to the World Bank, and shall be responsible, among others, to oversee the entire Project operation including procurement, finance and project management including monitoring and evaluation.

Management Committee

- (b) The Recipient shall maintain for the duration of the Project, a Management Committee, having compositions and terms of reference acceptable to the World Bank, responsible for overseeing the performance of the Secretariat.

Regional Advisory Committee

- (c) The Recipient shall, set up within one (1) month from the countersignature to this Agreement, and maintain thereafter, the Regional Advisory Committee, having compositions and terms of reference acceptable to the World Bank, and responsible for, among others, the reviewing eligible proposals for their soundness and their compatibility with the respective national REDD+ priorities.

Annual Work Plans

- (d) The Recipient shall prepare and furnish to the World Bank by not later than June 30 of each year, beginning from the date of the effectiveness of the Grant, during the implementation of the Project, or such later date as the World Bank may agree, for the World Bank's no-objection, annual work plans containing eligible Project activities and Eligible Expenditures proposed to be included in the Project in the following calendar year. The annual work plan shall be composed of updated Procurement Plan and the updated training plan, as well as the budget for Project activities in the next twelve (12) calendar months.
- (e) The Recipient shall ensure that the Project is implemented in accordance with the annual work plan accepted by the World Bank for the respective calendar year, provided, however, that in the event of any conflict between the annual work plan and the provisions of this Agreement, the provision of this Agreement shall prevail.
- (f) The Recipient shall not make or allow to be made any change to the annual work plans without the World Bank's prior no-objection in writing.

Project Operational Manual

- (g) The Recipient shall carry out the Project in accordance with the provisions of the Project Operational Manual. Except as the World Bank shall otherwise agree in writing, the Recipient shall not amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the Project Operational Manual or any provisions thereof. In the event of a conflict between the provisions of the Project Operational Manual and those of this Agreement, the latter shall govern.

Sub-project

- (h) To facilitate the carrying out of the Project, the Recipient shall make Sub-projects under [Part 1] of the Project in accordance with eligibility criteria and procedures acceptable to the World Bank, which, except as the World Bank may otherwise agree in writing, shall include the following (as the same may be elaborated in the Project Operational Manual):
 - (A) No proposed Sub-project shall be eligible for financing under Part A.1 of the Project unless:
 - (i) the Recipient has determined, on the basis of an appraisal conducted in accordance with guidelines acceptable to the World Bank, that the proposed Sub-project satisfies the eligibility criteria specified below in paragraph (B) of this Section, and such additional criteria as may be specified in the Project Operational Manual; and

- (ii) the World Bank has approved such Sub-project, unless the World Bank shall have previously notified the Recipient in writing that its approval of Sub-projects is no longer required.
- (B) Each Sub-project shall be required to satisfy the following criteria:
- (i) it is proposed by a civil society or local community organization with proven legal status, necessary managerial, financial, and technical qualifications and experience to carry out the Sub-project, which has prepared an acceptable financing and implementation plan for the Sub-project;
 - (ii) the proposed Sub-project is economically, financially and technically feasible, and environmentally sound;
 - (iii) the proposed Sub-project ensures active and proportionate participation of women and youth;
 - (iv) each proposed Sub-project is aligned with its respective Participating Country's agreed engagement strategy on climate change, REDD+ and the forestry sector; and
 - (v) the total estimated cost of the Sub-project does not exceed an amount equivalent to US\$ 100,000, unless otherwise previously agreed in writing by the World Bank.
- (C) For each Sub-project which has been determined to be eligible for financing under Part 1 of the Project, the Recipient shall enter into a consultation contract with the CSO pursuant to which the Recipient shall obtain rights adequate to protect its interests and those of the World Bank.

2.04. Environmental and Social Standards.

- (a) The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.
- (b) Without limitation upon paragraph (a) above, the Recipient shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan ("ESCP"), in a manner acceptable to the Bank. To this end, the Recipient shall ensure that:
 - (i) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and provided in the ESCP;
 - (ii) sufficient funds are available to cover the costs of implementing the ESCP;
 - (iii) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and

- (iv) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Bank shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
- (c) In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- (d) The Recipient shall ensure that:
 - (i) all measures necessary are taken to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Bank, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Bank, setting out, inter alia: (A) the status of implementation of the ESCP; (B) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (C) corrective and preventive measures taken or required to be taken to address such conditions; and
 - (ii) the Bank is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
- (e) The Recipient shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Bank.

2.05 ***Documents; Records.***

In addition and without limitation to the obligations set forth in Section 2.05 of the Standard Conditions, the Recipient shall ensure that:

- (a) all records evidencing expenditures under the Project are retained for seven (7) years and six (6) months after the Closing Date, such records to include: (i) this Agreement, all addenda thereof, and any amendments thereto; (ii) the Recipient's financial and narrative progress reports submitted to the Bank; (iii) the Recipient's financial information related to the Grant, including audit reports, invoices and payroll records; (iv) the Recipient's implementation documentation (including sub-agreements, procurement files, contracts, purchase orders); and (v) the corresponding supporting evidence referred to in Section 3.04 of the Standard Conditions; and
- (b) the representatives of the Bank are: (i) able to examine all records referred to above in paragraph (a); (ii) provided all such information concerning such records as they may from time to time reasonably request; and (iii) able to disclose such records and information to the Donor.

2.06. ***Project Monitoring, Reporting and Evaluation.*** The Recipient shall ensure that each Project Report is furnished to the Bank not later than sixty (60) days after each calendar semester, covering the calendar semester.

**Article III
Withdrawal of Grant Proceeds**

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; and (b) this Section; to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table.

Category	Amount of the Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Sub-grants	276,000	100% of amounts disbursed
(2) Goods, works, non-consulting services, consulting services, Training and Incremental Operating Costs	184,000	100%
TOTAL AMOUNT	460,000	

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed \$5,000 equivalent may be made for payments made prior to this date but on or after June 1, 2021, for Eligible Expenditures under Category (2).

3.03. **Withdrawal Period.** The Closing Date is December 31, 2022.

**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, namely that the Recipient has adopted the Project Operational Manual, satisfactory to the World Bank.

4.02. By signing the Grant Agreement, the Recipient shall be deemed to represent and warrant that on the Signature Date, the Grant Agreement has been duly authorized by, and executed and delivered on behalf of, the Recipient and is legally binding upon the Recipient in accordance with its terms, except where additional action is required to make such Grant Agreement legally binding. Where additional action is required following the Signature Date, the Recipient shall notify the Bank when such additional action has been taken. By providing such notification, the Recipient shall be deemed to represent and warrant that on the date of such notification the Grant Agreement is legally binding upon the Recipient in accordance with its terms.

4.03. 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 4.01 (“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.

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 ninety (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 V
Recipient’s Representative; Addresses

5.01. **Recipient’s Representative.** The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is [its Executive Director.

5.02. **Recipient’s Address.** For purposes of Section 7.01 of the Standard Conditions: (a) the Recipient’s Address is:

Asia Network for Sustainable Agriculture and Bioresources (ANSAB)
P.O. Box 11035,
Kathmandu, Nepal; and

The Recipient’s Electronic Address is:

ansab@ansab.org.np; bhishmasubedi@ansab.org.np

Facsimile: +977 1 4476586

5.03. **Bank’s Address.** For purposes of Section 7.01 of the Standard Conditions: (a) the Bank’s address is:

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

The Bank’s Electronic Address is:

Telex:	Facsimile:
248423 (MCI)	1-202-477-6391