Afghanistan Reconstruction Trust Fund
Grant Agreement

(CASA-Community Support Project)

between

ISLAMIC REPUBLIC OF AFGHANISTAN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
(acting as Administrator of the Afghanistan Reconstruction Trust Fund)

Dated April 11, 2014
AGREEMENT dated April 11, 2014, entered into between ISLAMIC REPUBLIC OF AFGHANISTAN ("Recipient"); and INTERNATIONAL DEVELOPMENT ASSOCIATION, acting as administrator (the "Administrator") of grant funds (the Grant Funds) contributed by various donors (collectively the "Donors") to the Afghanistan Reconstruction Trust Fund (ARTF). The Recipient and the Administrator 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 February 15, 2012 ("Standard Conditions"), with the modification set forth below constitutes an integral part of this Agreement, namely that whenever used in the Standard Conditions, the terms "World Bank" shall mean the "Administrator".

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 MRRD 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 Administrator 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 Administrator 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 forty million United States Dollars ($40,000,000) ("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 Administrator receives periodic contributions from the donors to the trust fund. In accordance with Section 3.02 of the Standard Conditions, the Administrator'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.

3.04 The amount of the Grant as approved by the ARTF Management Committee accordingly shall be available to the Recipient.

Article IV
Recipient's Representative; Addresses

4.01. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is the Minister of Finance.

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

- Ministry of Finance
- Pashtunistan Watt
- Kabul
- Islamic Republic of Afghanistan

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

- International Development Association
- 1818 H Street, N.W.
- Washington, D.C. 20433
United States of America

Cable: INDEVAS, Washington, D.C.
Telex: 248423 (MCI) or 64145 (MCI)
Facsimile: 1-202-477-6391

AGRED at , as of the day and year first above written.

ISLAMIC REPUBLIC OF AFGHANISTAN
By

Authorized Representative

Name: Omar Zakhilwal
Title: Minister of Finance

INTERNATIONAL DEVELOPMENT ASSOCIATION
(acting as administrator of the Afghanistan Reconstruction Trust Fund)

By

Authorized Representative

Name: Philippe A. de Fontaney
Title: Vice President
SCHEDULE 1
Project Description

The objective of the Project is to provide access to electricity or other social and economic infrastructure services to communities in the Project Area in order to strengthen community support for CASA-1000 transmission line.

The Project consists of the following parts:

**Part A. Community Grants for Sub-projects**

Provision of grants to communities to fund economic infrastructure sub-projects, and other priority investment sub-projects for rural and social development.

**Part B. Community mobilization**

Engaging communities to increase the shared prosperity associated with the CASA-1000 transmission line which will pass through their villages, by facilitating community participation in sub-project planning, implementation and operations and maintenance.

**Part C: Project Implementation Support**

1. Provision of technical advisory services and logistical assistance for the implementation and monitoring of the Project.

2. Provision of service through a third party monitoring agency.

**Part D: Communications & Outreach**

Carrying out of a communications campaign and information-sharing activities directed to relevant stakeholders within the Provinces with a special emphasis on outreach to communities in the Project areas.
SCHEDULE 2

Project Execution

Section I. Institutional and Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall vest MRRD with the responsibility for overall implementation of the Project, and coordination amongst all agencies and entities involved in the Project, including DABS.

2. The Recipient shall, through MRRD, maintain, throughout Project implementation, a NSP Program Management Office (PMO), comprised of two directorates (executive and operations) each headed by a qualified and experienced Director, acceptable to the Administrator, under terms of reference, satisfactory to the Administrator, to be responsible for: (i) policy formulation, program planning, external and donor relations, budget and Grant management and general Project oversight (Executive Directorate); and (ii) the implementation of fiduciary aspects of the Project including procurement, financial management, Facilitating Partners management, monitoring and evaluation, human resources and training, administration, public communications, and the engineering departments and the high risk areas implementation and oversight unit (Operations Directorate).

3. The Recipient shall cause the PMO, to be responsible for, inter alia, policy and strategy development and application, coordinating with other ministries of the Recipient on the implementation of the Project, resource mobilization, program, budget, and financial planning and control, management of relations with Facilitating Partners and donors, appraisal, approval and processing of Sub-Project proposals, quality assurance for engineering works, monitoring and evaluation, public consultation and communication, and training and capacity development at central and provincial levels. MRRD shall also be responsible for financial management, Block Grant management and maintaining a management information system which it shall carry out with the assistance of an external / international Financial Management Agent that shall head the PMO’s financial management department.

4. The Recipient shall maintain, throughout Project implementation, the existing NSP inter-ministerial Steering Committee, headed by the Recipient’s Second Vice-President, with representation from relevant ministries, which committee shall be responsible for providing guidance to MRRD on the overall policy and strategic planning and management of the Project, as well as the Project’s integration with other rural development programs.
The Recipient shall ensure that MRRD, at the provincial level, is supported by a number of Provincial Management Units (PMUs), to be responsible for receiving, reviewing and approving Sub-Projects and requests for disbursement of the Block Grants; data entry; liaising with Facilitating Partners and overseeing their work; monitoring of Sub-Project field activities including processes, quality of institutions, quality of Sub-project implementation and maintenance; and quality of training provided to CDCs by the Facilitating Partners; and after the phasing out of Facilitating Partners, to be responsible for directly assisting CDCs in the operation and maintenance of Sub-Projects.

The Recipient shall, through MRRD, contract with Facilitating Partners, in accordance with terms of reference and eligibility criteria satisfactory to the Administrator, to assist in mobilizing new local/rural communities to establish new CDCs and remobilize existing CDCs; facilitating consultative community planning exercises including preparation of Community Development Plans; providing technical assistance in designing and preparing Sub-Project proposals; supporting communities in the implementation of Sub-Projects including construction quality assurance; improving CDCs linkages and knowledge sharing; building institutional capacity including training communities in bookkeeping, procurement and contracting; and complying with monitoring, evaluation and reporting requirements.

The Recipient shall, and shall cause MRRD to ensure that CDCs shall: (i) be the primary entities responsible for the planning and implementation of Sub-Projects under the facilitation and technical guidance of the Facilitating Partners; (ii) be responsible for preparing Community Development Plans and for the administrative, procurement and financial management of Block Grants; and (iii) form appropriate committees for the management of Block Grants and for the overseeing of individual Sub-Projects.

The Recipient shall (i) update the Financial Management Manual by no later August 31, 2014; and (ii) cause MRRD to, than carry out the Project in accordance with the NSP Operations Manual, the Financial Management Manual, the Procurement Manual, and the Safeguards Instruments and, except as the Administrator shall otherwise agree, the Recipient shall not amend, vary, or waive any provision of the said manuals, plans and Instruments without the prior written concurrence of the Administrator. In the event of a conflict between the provisions of this Agreement and the provisions of any of the foregoing manuals, plans and instruments, the provisions of this Agreement shall prevail.

B. Anti-Corruption

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

1. To be eligible for a Block Grant, a CDC shall:
   
   (a) prepare a Community Development Plan, and prepare and furnish one or more Sub-Project proposals to MRRD that fully satisfy the eligibility criteria specified in the NSP Operations Manual and the Environmental and Social Management Framework. Several CDCs may combine together to prepare one or more Sub-Project proposals of common interest and benefit by pooling their Block Grant entitlements;
   
   (b) for purposes of Block Grants under Part A of the Project, ensure that the proposed CDC has: (i) held consultations with the community members in order to agree on the sub-project selection; (ii) recounted the number of families within the community and duly justified any variation thereof in excess of five percent (5%); (iv) carried out a first or subsequent rounds of elections as mandated in the NSP Operations Manual; and (v) prepared a community action plan which include actions related to gender mainstreaming.

2. (a) In evaluating each Sub-Project proposal, the Recipient shall cause MRRD to (i) give first priority to Sub-projects in the power sector, unless such a Sub-project is not feasible; and (ii) the CDCs capacity to carry out, manage and maintain the Sub-Project in conformity with appropriate administrative, financial, technical, environmental and managerial standards.
   
   (b) If and as required by the Environmental and Social Management Framework and/or Resettlement Policy Framework, the Facilitating Partner, in coordination with the CDC, shall prepare an Environmental and Social Management Plan and/or Resettlement Action Plan before the Block Grant can be awarded to it.

3. The Recipient, through MRRD, shall make the proceeds of the Grant available, as Block Grants, to CDCs under Block Grant Agreements, each to be entered into by representatives of the CDC and the Recipient, all under terms and conditions which shall have been approved by the Administrator, which shall include the following:
   
   (a) the Block Grant shall be denominated in Afghani; and shall not be repayable except in circumstances described under (b)(i) below; and
   
   (b) the Recipient shall retain rights adequate to protect its interests and those of the Administrator, including the right to:
(i) suspend or terminate the right of the CDC to use the proceeds of the Block Grant, or obtain a refund of all or any part of the amount of the Block Grant then withdrawn, upon the CDC's failure to perform any of its obligations under the Block Grant Agreement; and

(ii) require each CDC 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 Administrator, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of Grant proceeds other than the Recipient;

(B) provide, promptly as needed, any agreed counterpart resources (whether in cash or in kind) required for the Sub-Project;

(C) procure the goods, works and services to be financed out of the Block Grant in accordance with the provisions of this Agreement;

(D) use any such goods, works and services procured under the Block Grants exclusively for the carrying out of Sub-Projects;

(E) enable the Recipient and the Administrator to inspect the Sub-Project, its operation and any relevant records and documents;

(F) prepare and furnish to the Recipient and the Administrator all such information as the Recipient or the Administrator shall reasonably request relating to the foregoing; and

(G) ensure that the Block Grant shall not finance or support the cultivation of poppy.

4. The Recipient shall exercise its rights under each Block Grant Agreement in such manner as to protect the interests of the Recipient and the Administrator and to accomplish the purposes of the Financing Agreement. Except as the Administrator shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive any Block Grant Agreement or any of its provisions.
D. Safeguards

1. The Recipient shall:

(a) carry out the Project and cause each CDC to carry out its respective Sub-projects in accordance with the Safeguards Instruments, including each ESMP and RAP to be prepared pursuant to paragraph 2 of this Sub-Section;

(b) refrain from taking any action, or consenting to an action to be taken, which would prevent or interfere with the implementation of the Safeguards Instruments, including any amendment, suspension, waiver, and/or voidance of any provision thereof, whether in whole or in part, without the prior written concurrence of the Administrator; and

(c) promptly and timely provide the financial resources required for the carrying out of the measures stipulated in the Safeguards Instruments.

2. The Recipient shall, and shall cause each CDC to:

(a) prior to commencing each activity under the Project and each Sub-project:

(i) prepare: (A) each ESMP, required by and consistent with the ESMF for such activity or Sub-project; and (B) each RAP required by and consistent with the RPF for such activity or Sub-project;

(ii) have each ESMP and RAP furnished to the Administrator for its prior review and approval; and

(iii) adopt and disclose as approved by the Administrator and each ESMP and RAP in a manner acceptable to the Administrator;

(b) thereafter take such measures as shall be necessary to ensure compliance with the requirements of each ESMP and RAP; and

(c) in the case of any activity under the Project or Sub-projects involving Displaced Persons, ensure that no displacement or loss of income sources or means of livelihood, whether or not the affected persons are displaced, shall occur before necessary resettlement measures consistent with the RAP applicable to such activity have been executed, including, in the case of displacement, full payment to Displaced Persons of compensation and of other assistance required for relocation, prior to displacement.
3. The Recipient shall not amend, abrogate or waive, or permit to be amended, abrogated or waived Safeguards Instruments, unless the Administrator has provided its prior approval thereof in writing, and the Recipient has complied with the same consultation and disclosure requirements as applicable to the original adoption of the said instruments.

4. Without limitation upon its other reporting obligations under this Agreement, every three (3) months, shall collect, compile and furnish, as part of the Project Report, reports on the status of compliance with the Safeguards Instruments giving details on:

   (a) the measures taken in furtherance of the Safeguards Instruments;

   (b) the conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguards Instruments; and

   (c) remedial measures taken or required to be taken to address such conditions.

5. The Recipient shall ensure that each contract procured under the Project includes the obligation of the relevant contractor to comply with the relevant Safeguard Instruments applicable to the respective activities commissioned/awarded pursuant to said contract.

6. In the event of any inconsistency between the provisions of the Safeguards Instruments and the provisions of this Agreement, the provisions of this Agreement shall prevail.

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 acceptable to the Administrator. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Administrator not later than 45 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 Administrator not later than six 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 financial reports for the Project are prepared and furnished to the Administrator as part of the Project Report not later than 45 days after the end of each quarter, covering the quarter, in form and substance satisfactory to the Administrator.

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 Administrator not later than six months after the end of such period.

4. MRRD, through the PMO, shall retain, throughout Project implementation, the services of an experienced and qualified Financial Management Agent, acceptable to the Administrator, under terms of reference satisfactory to the Administrator, to assist MRRD to comply with all financial management requirements under this Agreement, including the financial management monitoring of the Project.

Section III. Procurement

A. General

1. **Procurement and Consultant Guidelines.** All goods, works, non-consulting-services and consultants' services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

   (a) Section I of the “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (“Procurement Guidelines”) in the case of goods, works and non-consulting services, and Sections I and IV of the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (“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 1.18 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 Administrator of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

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

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

2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) Limited International Bidding; (b) National Competitive Bidding, subject to the additional provisions described in paragraph 3 below; (c) Shopping; (d) procurement under Framework Agreements in accordance with procedures which have been found acceptable to the Administrator; (e) Direct Contracting; (f) Force Account; and (g) Community Participation procedures, which have been found acceptable to the Administrator, and described in paragraph 4 below.

3. **National Competitive Bidding** shall be carried out in accordance with the Recipient’s Procurement Law published in Official Gazette No. 865 of October 25, 2005, as amended on January 19, 2009, and the following additional procedures:

   (i) Standard bidding documents approved by the Administrator will be used.

   (ii) Invitations to bid will be advertised in at least one (1) widely circulated national daily newspaper and bidding documents will be made available to prospective bidders, at least twenty-eight (28) days prior to the deadline for the submission of bids.

   (iii) Bids will not be invited on the basis of percentage premium or discount over the estimated cost.

   (iv) Bidding documents will be made available, by mail or in person, to all who are willing to pay the required fee.
(v) Foreign bidders will not be precluded from bidding.

(vi) Qualification criteria (in case pre-qualifications were not carried out) will be stated on the bidding documents, and if a registration process is required, a foreign firm determined to be the lowest evaluated bidder will be given reasonable opportunity of registering, without any hindrance.

(vii) Bidders may deliver bids, at their option, either in person or by courier service or by mail.

(viii) All bidders will provide bid security or a bid security declaration form as indicated in the bidding documents. A bidder’s bid security or the declaration form will apply only to a specific bid.

(ix) Bids will be opened in public in one place preferably immediately, but no later than one hour, after the deadline for submission of bids.

(x) Evaluation of bids will be made in strict adherence to the criteria disclosed in the bidding documents, in a format, and within the specified period, agreed with the Administrator.

(xi) Bids will not be rejected merely on the basis of a comparison with an official estimate without the prior concurrence of the Administrator.

(xii) Split award or lottery in award of contracts will not be carried out. When two (2) or more bidders quote the same price, an investigation will be made to determine any evidence of collusion, following which: (A) if collusion is determined, the parties involved will be disqualified and the award will then be made to the next lowest evaluated and qualified bidder; and (B) if no evidence of collusion can be confirmed, then fresh bids will be invited after receiving the concurrence of the Administrator.

(xiii) Contracts will be awarded to the lowest evaluated bidders within the initial period of bid validity so that extensions are not necessary. Extension of bid validity may be sought only under exceptional circumstances.

(xiv) Extension of bid validity will not be allowed without the prior concurrence of the Administrator: (A) for the first request for extension if it is longer than four (4) weeks; and (B) for all subsequent requests for extensions irrespective of the period.

(xv) Negotiations will not be allowed with the lowest evaluated or any other bidders.
(xvi) Re-bidding will not be carried out without the Administrator’s prior concurrence.

(xvii) All contractors or suppliers will provide performance security as indicated in the contract documents. A contractor’s or a supplier’s performance security will apply to a specific contract under which it was furnished.

3. **Community Participation**: Goods, works and services for Sub-Projects under Part 1 of the Project estimated to cost up to an aggregate amount not exceeding USD100,000 equivalent (including community contribution) for each community may be carried out in accordance with paragraph 3.17 of the Procurement Guidelines and the procedures set out in the NSP Operations Manual.

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: [(a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants’ Qualifications; (e) Single-source Selection of consulting firms; (f) Selection of Individual Consultants; and (j) Single-source procedures for the Selection of Individual Consultants.

D. **Review by the Administrator of Procurement Decisions**

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

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 Administrator 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 Administrator 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) Goods, works, consultants’ services and Training; and Block Grants under Part A of the Project</td>
<td>29,100,000</td>
<td>100% of amounts disbursed by MRRD for Block Grants, and 100% for all other Eligible Expenditures</td>
</tr>
<tr>
<td>(2) Incremental Operating Costs*</td>
<td>3,200,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Unallocated</td>
<td>7,700,000</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>40,000,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

*For the purposes of this Schedule, the term “Incremental Operating Costs” means the incremental expenses incurred on account of Project implementation and management, including the operation and maintenance of vehicles, office supplies, communication charges, insurance costs, office administration costs, banking charges, advertising expenses, utility charges, domestic travel and per diem allowances, but excluding salaries of the officials of the Recipient’s civil service.

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 May 30, 2017.
APPENDIX

Definitions


2. “Block Grants” means the grants made available by the Recipient to CDCs out of the proceeds of the Grant in order to finance the cost of goods, works, and services for Sub-Projects under Part A of the Project.

3. “Block Grant Agreement” means an agreement for a Block Grant referred to in Section I.C.3 of Schedule 2 to this Agreement.

4. “CASA 1000” means the Central Asia South Asia Electricity Transmission and Trade Project to be financed by the Association.

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

6. “Community Development Council” or “CDC” means a community-based decision making body that includes a chairperson, vice-chairperson, secretary, and treasurer, and is responsible for, inter alia, preparing Community Development Plans and Sub-Project proposals, and for the implementation and management of Sub-Projects.

7. “Community Development Plan” means a plan developed by each CDC as the basis for identifying and prioritizing Block Grant investments for Sub-Projects.


9. “Corridor of Influence” means the corridor of influence along four kilometers of the routing of the transmission line to be built under the CASA-1000 Project, and which is expected to pass through approximately 700 communities spread over 23 districts in the provinces of Parwan, Kunduz, Baghlan, Laghman, Nangarhar and Kabul.

10. “DABS” means Da Afghanistan Breshna Sherkat of Afghanistan, the transmission company established under the Recipient’s Corporations and Limited Liabilities Law, and incorporated on 4th May 2008, and the entity in charge of installing the CASA-1000 Transmission Line within the territory of the Recipient.
11. “Displaced Persons” means persons who, on account of the execution of the Project, have experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such persons must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such persons; and a “Displaced Person” means any of such Displaced Persons.

12. “Environmental and Social Management Framework” or “ESMF” means the Recipient’s framework approved by the Association and adopted on February 23, 2014, and publicly disclosed by the Recipient, containing (a) the policy, legal and administrative framework within which the EMPs are prepared and carried out; and (b) an assessment of the potential environmental and social impacts of the activities to be undertaken under the Project, including an evaluation of the alternatives therefor, and designing appropriate mitigation, management, and monitoring measures.

13. “Environmental and Social Management Plan” or “ESMP” means each environmental management plan or plans to be prepared by the Project Implementing Entity that set out the environmental protection measures, including measures for the protection of physical cultural resources, in respect of the Project, as well as administrative and monitoring arrangements to ensure the implementation of said plan, as said plan may be revised from time to time with the prior written agreement of the Administrator, and such term includes all schedules and agreements supplemental thereto.

14. “Facilitating Partners” or “FPs” means international and/or national non-governmental organizations and agencies, as well as United Nations agencies, that will assist the Recipient in carrying out the Project as provided for in Section I.A.7 of Schedule 2 to this Agreement.

15. “Financial Management Agent” means an agent/consulting firm retained by MRRD in accordance with Sections I.A.3 and II.B.4 of Schedule 2 to this Agreement.

16. “Financial Management Manual” means the Recipient’s manual for NSP to be updated by the Recipient pursuant to Section I.A.8 of Schedule 2 to this Agreement, with the concurrence of the Administrator which prescribes the applicable protocol for handling financial responsibilities, including, inter alia, segregation of fiduciary duties, procedures for documentation reviews and control of physical assets, guidelines and authorization protocols for the disbursement of Block Grants to CDCs, staff training requirements and terms of reference for the annual audit reviews.

18. "Mine Risk-Management Procedures" means the Procedures for Mine Risk Management in Administrator Funded Projects in Afghanistan, a framework document that prescribes various measures and procedures to be followed for carrying out activities that could involve, or could potentially involve, exposure or contact with mines.

19. "MRRD" means the Recipient’s Ministry of Rural Rehabilitation and Development or any successor entity thereto.

20. "NSP Operations Manual" means the Recipient’s Project implementation and operations manual, dated May 2012, as periodically updated with the concurrence of the Administrator, setting forth the procedures governing the operation of the Project, and such term includes any schedules or annexes to the NSP Operations Manual including the gender annex intended to facilitate the mainstreaming of gender issues at community level.

21. "NSP" or "National Solidarity Program" means collectively the Recipient’s first, second and third National Solidarity Programs financed through the Association’s Grants H072-AF, H174-AF, H209-AF, H261-AF, H476-AF and TF098459-AF, respectively.


23. "Procurement Manual" means the manual, dated May 2012, as periodically updated with the concurrence of the Administrator, for the implementation of procurement activities under the Project, which manual sets forth, inter alia: (i) the processing and approval procedures to be followed by the PMO, PMUs and CDCs in the procurement of goods, works and services under the Project; (ii) the allocation of procurement responsibilities, including the constitution of evaluations committees and designation of appointment authorities; and (iii) the timeframe and criteria for procurement approvals/reviews.

24. "Procurement Plan" means the Recipient’s procurement plan for the Project, dated February 20, 2014 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
25. "Program Management Office" and "PMO" means the Project Management Office established and maintained by the Recipient pursuant to paragraph A.2 of Section I in Schedule 2 to this Agreement.

26. "Project Area" means the area within the Corridor of Influence.

27. "Province" means a province, so designated by the laws of the Recipient.

28. "Provincial Management Units" and the acronym "PMUs" mean collectively the units to be maintained at provincial level referred to in paragraph 6 of Section I.A of Schedule 2 to this Agreement.

29. "Steering Committee" means the inter-ministerial committee established under the NSP, and referred to in Section I.A.4 of Schedule 2 to this Agreement.

30. "Sub-Project" means a rehabilitation or development project or scheme to be carried out by a CDC or a cluster of CDCs with the technical assistance of Facilitation Partners under Part A of the Project, which meets the eligibility criteria, described in the Operational Manual to receive financing in the form of Block Grants under this Project.

33. "Resettlement Policy Framework" or the acronym "RPF" means the Resettlement Policy Framework dated February 23, 2014, prepared and adopted by the Recipient, acceptable to the Administrator; said framework setting out the policies and procedures for the acquisition of land and other assets, compensation, resettlement and rehabilitation of Displaced Persons, and for the preparation of Resettlement Action Plans as may be required for Project activities, as said framework may be revised from time to time with the prior written concurrence of the Administrator; and such term includes all schedules and agreements supplemental to said framework.

34. "Resettlement Action Plan" or "RAP" means each resettlement action plan to be prepared by the Recipient, in form and substance acceptable to the Administrator and in accordance with the RPF, setting forth the measures necessary to ensure that the Displaced Persons under the Project are: (i) informed about their options and rights pertaining to resettlement; (ii) consulted on, offered choices among, and provided with technically and economically feasible resettlement alternatives; (iii) provided: (A) prompt and effective compensation at full replacement cost for losses of assets attributable directly to the Project; (B) assistance (such as moving allowances) during relocation; and (C) with residential housing, or housing sites, or, as required, agricultural sites for which a combination of productive potential, locational advantages, and other factors is at least equivalent to the advantages of the old site; (iv) offered support after displacement, for a transition period, based on a reasonable estimate of the time likely to be needed to restore their livelihood and standards of living; and (v)
provided with development assistance in addition to the aforementioned compensation measures, such as land preparation, credit facilities, training, or job opportunities.

35. “Safeguards Instruments” means the ESMF, ESMP, the RPF and the RAP.

36. “Training” means the costs of training and workshops relevant for the Project and carried out in the territory of the Recipient, including purchase and publication of materials, rental of facilities for conducting training and workshops, facilitator’s fees, course fees and travel and subsistence allowances for trainers and trainees.