RESULTS-BASED FINANCE (RBF) GRANT AGREEMENT TEMPLATE
INTRODUCTION TO THE RBF GRANT AGREEMENT TEMPLATE

Notes:
As introduced in the Clean Energy Mini-Grid Policy Development Guide, the **fixed grant per connection** approach, also known as Results-Based Financing (RBF) Grant or Performance-Based Grant (PBG), works as the name indicates. The government provides mini-grid operators with a fixed grant per electricity connection installed and verified. The following RBF Grant Agreement has been developed to serve as a template for determining the disbursement and related conditions of the RBF grant.

There is no “one-size-fits-all” approach for the RBF Grant Agreement, as the objectives, conditions and requirements of the contracting agencies, the financing organizations, the policy and regulatory frameworks, the market structures and the market players differ. However, the RBF Grant Agreement template reflects the main features of this particular financing agreement, creating certainty where possible and allowing flexibility to scale-up engagements under different contexts.

It is noteworthy to mention the implication of subsidies, such as an RBF grant, on the viability of a mini-grid project and related electricity tariffs. To set up efficient subsidies to enhance the deployment of mini-grid projects, specific attention should be paid to the following elements:

- **The existence of a robust legal and regulatory framework for mini-grids**, including clear licencing procedures and grid interconnection procedures. A template for mini-grid regulations is available under the same link as this template.
- **Definition of a maximum percentage share** of the RBF Grant scheme given to any one developer.
- **Involvement of a 3rd party** to accelerate the process. For example, a third party shall be mandated to confirm pre-qualification and ensure that conditions precedent are met, with the aim to reduce due diligence time and to ensure the operational viability of projects under the RBF Grant Agreement.
- **In the event of insufficient funds to support mini-grid developers**, the Granting Authority is allowed to earmark funding to specific mini-grid projects.

Instructions:
With the objective to incentivise investments in the deployment of mini-grids, the template provides guidance for the preparation and execution of the Grant Agreement. With the objective of spelling out the roles and responsibilities of each party, enhancing transparency while allowing flexibility, the RBF Grant Agreement template aims to be tailored to specific contexts.

Items that may need to be tailored on a case-by-case basis include:

- The fixed grant amount per connection per level of electricity service provided
- Minimum number of connections to be achieved
- Maximum total grant amount
- (Optional): With a view to support mini-grid developers to finance the project, an advance payment of the grant amount could be agreed upon; the disbursement milestones could for instance be structured as follows: 35% upon signing of the Grant Agreement (against provision of a bank guarantee); 35% upon verified arrival of goods on project site; and the remainder upon independent third-party verification of total number of realised connections. Where RBF Grant payments are
made purely upon the final verification of realised connections, international companies with the ability to upfront the initial investment are favoured. It is therefore recommended that governments, and other organisations desirous of supporting domestic companies, should have a mechanism of advance payments via disbursement milestones.

- Define maximum implementation period of the project (e.g. 2 years)
- The payment for initial milestones should not exceed the total payment towards the developer that would be made when the developer meets the minimum number of connections. For example, for a total grant of USD1M and fulfilment of a minimum number of connections resulting in a payment of USD700,000, initial payment milestones should not exceed a total of USD700,000.
- Separate operational guidelines for the RBF Grant outlining the application procedure, verification procedure, process for earmarking funding etc. ought to be developed.

To adjust the RBF Grant Agreement Template to a specific context:

- For each article, please fill in the blank space according to the associated instruction (as specified in brackets).
- Please fill in the Annexes with more specific content. Annexes are left intentionally blank to provide more detailed information and instructions.
- Please add any additional article related to the specific context of application.
RESULTS-BASED FINANCE GRANT AGREEMENT

N° ........

BETWEEN

________________________________________________________________________
Name of the Granting Authority
acting on behalf of and duly authorized by the
Government of .................................................. (specify the country)

- AND -

________________________________________________________________________
Name of the Project Developer
Represented by

TO SERVE

________________________________________________________________________
Name of the locality/localities
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This Grant Agreement ("Agreement") is concluded between ………………………………………… ("Granting Authority"), represented by ………………………………………… (Name and position), on the one hand, and the …………………………………………… ("Project Developer or Grant Beneficiary"), represented by ………………………………………… (Name and position), on the other hand. The Project Developer and Granting Authority are jointly referred to as “Parties” and individually as the “Party”.

WHEREAS:

1. The Granting Authority has a mandate to …………………………………… (Specify general mandate of the agency), and is desirous of supporting private sector entities undertaking the construction, operation, and maintenance of a Mini-Grid or several Mini-Grids and providing Users living in unserved or underserved communities with sustainable access to electricity.

2. The Grant Beneficiary is a duly incorporated and registered company/NGO/cooperative …………… (specify type of legal entity) with experience in developing, operating and maintaining Mini-Grids and is desirous and capable of developing and operating a Mini-Grid or several Mini-Grids for the aforementioned purpose.

3. In order to facilitate the development of the Mini-Grid or several Mini-Grids, the Granting Authority is desirous of providing a financial grant to the Grant Beneficiary.

4. The Parties have therefore entered into this Agreement to set up the terms and conditions of their arrangement.

It has been hereby agreed as follows:

DEFINITIONS

ARTICLE 1 – DEFINITIONS

“Applicable Laws” means any and all statutes, legislations, directives, regulations, standards, guidelines, rules, codes, judgments or orders of a court of competent jurisdiction, proclamation, directive, executive order, other legislative measure, binding actions or enactments of …………………………………………… (please specify the executive authority) or any other relevant authority in …………………………………………… (please specify the country);

“Conditions Precedent” means the Conditions Precedent as defined in Article 5 and further specified in Annex 1;

“Earmarked Funding” means the amount of RBF grant funding set aside to a particular project for a limited period of time under specific conditions;

“Effective Date” means the date as given under Article 3, on which this Agreement is signed and comes into force;

“Expiry Date” means the date as given under Article 3, whereby this Agreement expires or is extended as per the terms of this Agreement;
“Extraordinary Termination” means a termination of this Agreement for reasons other than on the Expiry Date;

“Force Majeure Event” means any unpredictable, unavoidable event beyond the control of the Parties, making it impossible to execute this Agreement in whole or in part, and which is not attributable to the fault or negligence of any Party claiming such Force Majeure Event, and which includes without limitation;

a. Any natural calamity, Act of God, fire, earthquake, or any other unforeseen extreme weather;

b. Any epidemic, plague or public health emergency;

c. Acts of strike, riot, rebellion, civil commotion, war or armed conflict in …………….. (Specify name of place, state) or any other part of ……………. (Specify name of state or country);

d. Any expropriating, nationalisation, confiscation of assets of the Project, or any boycott, penalty or restriction imposed upon the Granting Authority or the Grant Beneficiary;

“Good Industry Practices” means any of the practices, methods, procedures and standards in a manner consistent with Applicable Law and the degree of skill, diligence, prudence and foresight expected from a skilled and experienced professional engaged in the same or similar circumstances and conditions, which in the exercise of professional judgment in the light of the facts known at the time the judgment was made, are considered good, safe and prudent practice commensurate with standards of safety, performance, dependability, efficiency and economy;

“Grant” means the Results-Based Finance Grant provided by the Granting Authority to the Grant Beneficiary as per Article 4;

“Grant Period” means the period set out in Article 3 or as may be extended pursuant this Agreement;

“Independent Auditor” means a certified auditor which is accredited by the national accreditation body for auditors;

“Mini-Grid”: means any system generating electricity connected to a distribution network that supplies electricity to a group of Users within a defined area;

“Minimum Number of Connections” means the minimum number of connections as specified in Article 2;

“Ordinary Termination” means a termination of this Agreement on the Expiry Date;

“Performance Indicators” means all outputs against which satisfactory performance of the Project will be measured, as set out in Annex 3;

“Service” means the supply of electrical energy from the Mini-Grid by the Grant Beneficiary to Users as per Applicable Law and this Agreement;

“Service Level” means the level of supply of electrical energy by the Grant Beneficiary to Users under the conditions set out in Annex 1 of this Agreement;

“Users” means a natural or legal person who purchases, receives or uses the Services provided by the Grant Beneficiary for its own needs and who does not deliver or resell these Services to third parties.
“Written Notice” means a written message or letter sent by one Party of this Agreement to the other Party by either registered mail, or email or any other means which allow the sending Party to verify that the receiving Party has received the message or letter.

(Add additional Definition, if necessary)

ARTICLE 2 – PURPOSE OF THE AGREEMENT

The purpose of this Agreement relates to the financing of the …………………………………………… (technology) Mini-Grid(s), with a total capacity of …………………………………………… (installed generation capacity) kW (“Project”), and a minimum of …………………………………………… (“Minimum Number of Connections”) in …………………………………………… (specify the locality(ies), district(s), region(s)), by …………………………………………… (name of the Grant Beneficiary).

ARTICLE 3 – TERM

1. The Grant Agreement shall enter into force upon signature by both Parties on …………………………………………… (“Effective Date”) and shall remain in force for a period of …………………………………………… (“Grant Period”) years, and expire on …………………………………………… (“Expiry Date”).

2. Notwithstanding the aforementioned, the Granting Authority may extend the Grant Period upon written request of the Grant Beneficiary, for such period as may be agreed between the Parties.

3. The Grant Beneficiary shall have a total period of …………………………………………… (number of months) months from the Effective Date of the Agreement to fulfil the Conditions Precedents for the first payment milestone as outlined under Article 5 and Annex 1.

ARTICLE 4 – GRANT PAYMENT AND SUSPENSION

1. In order to facilitate the development of the Project, the Granting Authority provides the Grant Beneficiary with a Grant per connection of …………………………………………… (specify the Grant amount per individual connection) and for a total of up to …………………………………………… (specify the value and currency of the Grant) to be disbursed to the Grant Beneficiary according to the payment milestones as specified in Annex 1 and upon fulfilment of the Conditions Precedent as specified in Article 5.

2. If the Grant Beneficiary breaches any of its obligations under this Article, the Grant may be suspended as outlined under Article 17.

ARTICLE 5 – CONDITIONS PRECEDENT

1. The Parties agree and acknowledge that, for each payment milestone, the Grant shall only be disbursed upon verification that the Grant Beneficiary has fulfilled the related Conditions Precedent
as per the conditions and deadlines stipulated in Annex 1, unless waived or otherwise agreed upon with the Granting Authority in writing.

2. Upon the fulfilment of all Conditions Precedent of a particular payment milestone as set out in this Article and Annex 1, the Grant Beneficiary shall notify the Granting Authority no later than …………………………………………… (specify the numbers of days) following the date of fulfilment.

3. The Parties undertake all reasonable endeavours to ensure fulfilment of the Conditions Precedent and to give effect to the provisions of this Agreement.

ARTICLE 6 – ADDITIONAL CONNECTIONS

1. The Parties agree that where, due to the growth of the community where the Project is based, further connections are required beyond those stated in this Agreement, the Grant Beneficiary shall endeavour to increase the number of connections to cover the entire community. A separate agreement covering any additional connections may be set up and executed between the Granting Authority and the Grant Beneficiary.

2. Notwithstanding anything contained in this Agreement, achievement of connections that would increase the Grant beyond the total Grant as provided under Article 4 shall not automatically entitle the Grant Beneficiary to receiving additional or enhanced Grant.

RIGHTS AND OBLIGATIONS OF THE PARTIES

ARTICLE 7 – GRANT BENEFICIARY GENERAL RIGHTS

1. The Grant Beneficiary shall have the right to:
   a. utilise the awarded Grant in accordance with the terms of this Agreement;
   b. terminate this Agreement in accordance with the terms herein provided;
   c. ……………………………………………. (Add additional General Rights if necessary);

ARTICLE 8 – GRANT BENEFICIARY GENERAL OBLIGATIONS

1. The Grant Beneficiary shall have the obligation to:
   a. ensure that sufficient financing is secured to develop, implement and operate the Project;
   b. secure all necessary permits, licenses and authorisations necessary to operate the Project at its own expense;
   c. design, develop and operate the Project at its own risks;
   d. provide Services in compliance with the Applicable Laws and this Agreement;
   e. comply with environmental standards and Applicable Laws, and adopt necessary measures and actions to prevent or eliminate environmental damages caused by the Project in compliance with Annex 2;
   f. achieve the Minimum Number of Connections as per Article 2, and the Service Level targets as specified in this Agreement and under Annex 1;
g. fulfil performance and maintenance indicators as set out in the Agreement and Annex 3;

h. publish reports and provide relevant information to the Granting Authority as set out in Article 9 and upon request of the Granting Authority provide any information required to verify the application of the Grant, proper implementation of the Project and compliance with any other obligation under this Agreement;

i. fulfil Conditions Precedent as per timelines specified under Annex 1;

j. recruit, employ and undertake at its own expense all administration of the Project, where necessary including recruitment and employment of personnel who possess the required skills and experience which are appropriate to the tasks to which they are assigned, to operate and maintain the Project;

k. comply with the Specifications as given under Annex 2;

l. use the Grant for the purpose specified in and in accordance with this Agreement;

m. maintain proper books, data and records in accordance with Applicable Laws;

n. ................................................. (Add additional General Obligations if necessary);

**ARTICLE 9 – REPORTING AND PERFORMANCE**

1. Activity reports as provided for in Annex 4 shall be submitted ……………………………………… (specify the frequency of the periodic reports) by the Grant Beneficiary at its own expense to the Granting Authority.

2. The documentation provided by the Grant Beneficiary shall be comprehensively monitored and verified by the Granting Authority ……………………………………… (please specify if “and”/ “or”) by an Independent Auditor within ………………………………………(specify time frame for verification).

3. In addition to the periodic reports, the Grant Beneficiary shall submit a final report within ……………………………………… (specify the allocated number of days) days of the Expiry Date.

4. The Grant Beneficiary shall maintain records, for a period of ……………………………………… (specify number of years) years, regarding all activities associated with the Grant in accordance with industry practice and applicable laws, or in such form and format as agreed between the Parties, and shall permit the Granting Authority or its representative for monitoring purposes as provided under this Agreement to have access thereto except where information is deemed Confidential Information.

**ARTICLE 10 – GRANTING AUTHORITY GENERAL RIGHTS**

The Granting Authority shall have the right to:

a. request from the Grant Beneficiary any information required to verify the Service Level provided to Users and the progress of construction and connection of Users, and compliance with any other obligation under this Agreement;

b. inspect the necessary books, data and records of the Grant Beneficiary to monitor the Project activities;

c. be entitled to terminate the Grant Agreement in the cases provided for in this Agreement;

d. ................................................. (Add additional General Rights if necessary);
ARTICLE 11 – GRANTING AUTHORITY GENERAL OBLIGATIONS

The Granting Authority shall:

a. where applicable, make every effort to help obtain the administrative documents necessary for the execution of this Agreement by the Grant Beneficiary.
b. provide the Grant to the Grant Beneficiary as per payment milestones and upon the fulfilment of the Conditions Precedent as provided under Annex 1 and in accordance with the terms of this Agreement;
c. monitor the Project activities, including the Service Level and the number of connections achieved by the Grant Beneficiary, as set out in Annex 1 and Annex 3;
d. ………………………………………………… (Add additional General Obligations if necessary);

ARTICLE 12 – MONITORING

1. The Granting Authority shall exercise its rights to monitor the activities and performance of the Grant Beneficiary, before and after the disbursement of the Grant, in accordance with the provisions of this Agreement and the verification procedures given under Annex 1 and Annex 3.

2. Any falsification of data or results to secure the Grant or this Agreement shall result in the suspension of the Grant, and entitle the Granting Authority to reclaim any Grant amount already disbursed.

REPRESENTATIONS AND WARRANTIES

ARTICLE 13 – REPRESENTATIONS

1. Nothing in this Agreement shall be construed to create an association, trust, partnership, or other fiduciary relationship between the Parties or to impose any trust or partnership duty, obligation or liability between the Parties unless it is expressly agreed in written form by the Parties.

2. Neither Party shall by virtue of this Agreement be deemed to be the representative of the other Party for any purpose whatsoever, and neither Party shall have the power or authority as agent or in any other capacity to represent, act for, bind, or otherwise create or assume any obligation on behalf of the other Party for any purpose whatsoever unless it is expressly agreed in written form by the Parties.

3. Except as permitted under this Agreement nothing shall confer any benefit on any person or entity that is not a party to this Agreement.

ARTICLE 14 – WARRANTIES

1. Without prejudice to any warranties or conditions implied by Applicable Law, the Parties represent and warrant as at the date of this Grant Agreement and throughout the Grant Period that:
a. The Parties are duly organised and existing under the laws of …………………………………………… (specify the country) and have full power and authority to perform their obligations and rights under this Agreement;
b. The Parties have the financial capacity to perform their obligations and execute their rights under this Agreement;
c. The Parties comply with Applicable Laws in all respects;
d. This Agreement constitutes a legal, valid and binding obligation enforceable in accordance with the terms hereof;
e. There are no actions, suits or legal proceedings pending or, to their knowledge, threatened against them at law or in equity before any court any authority, the outcome of which may result in the default or breach of this Agreement or may result in any impairment of its ability to perform its obligations under this Agreement;
f. That no sums, in cash or kind have been paid or will be paid by or on behalf of the Grant Beneficiary to any person by way of fees, commission or otherwise for securing the Grant or for entering into this Agreement or for influencing or attempting to influence any officer or employee of the Granting Authority;
g. That the Parties shall comply with all their obligations set forth in this Agreement;
h. That the Parties shall not, except as permitted by this Agreement, assign or subcontract any interest, benefit, right or obligation under this Agreement to a third party without the prior written consent of the other Party;
i. That the Parties shall at all times act in good faith in their dealings with each other under this Agreement and do all things reasonably within their power, which are necessary to give effect to this Agreement;
j. ……………………………………………… (Add any additional warranty that may apply);

ARTICLE 15 – CONFIDENTIALITY

1. The Parties shall keep this Agreement and all documents and other information related to the Grant as strictly confidential, including the financing, design, construction, insurance, operation, maintenance and management of the Project, business plans, studies ("Confidential Information") belonging to the other Party, and which is supplied to it or that it has access to as a result of this Agreement, and shall not publish or otherwise disclose to any third party, or use the same for any purposes except to perform its obligations under this Agreement without the prior written consent of the disclosing Party.

2. Notwithstanding the provisions of Article 15 (1), Confidential Information may be disclosed without the other Party’s consent if and to the extent that such Confidential Information:
   a. Is in the public domain at the date of the signing hereof or thereafter, other than through the receiving Party’s or any of its employees’ or agents’ breach of this Agreement;
   b. Was readily available to the receiving Party on a non-confidential basis prior to its disclosure to the receiving Party; or was already lawfully in the receiving Party’s possession on a non-confidential basis at the date of signing hereof;
   c. Is communicated to any government agency, court of law or other statutory or governmental body provided such disclosure is required to be made pursuant to provisions of Applicable Laws from such government agency, court, statutory or governmental body;
   d. Is required to be communicated to a Party’s affiliates, employees, consultants, agents, subcontractors or staff in connection with the performance of this Agreement, provided that such affiliate, employee, consultant, agent, subcontractor or staff agrees to be bound by
confidentiality obligations with respect to such Confidential information which are not inferior to obligations contained in this Article;
e. Is required to be communicated to any lenders or prospective lenders or their professional advisers provided that such lenders or professional advisers agree to be bound by confidentiality obligations with respect to such Confidential Information which are not inferior to obligations contained in this Agreement;
f. Becomes available to the receiving Party on a non-confidential basis from a source other than the disclosing Party, provided such source is not itself bound by any confidentiality agreement with the disclosing Party; or
g. Is disclosed for the purpose of any arbitration or the enforcement of rights and obligations under this Agreement.

ARTICLE 16 – NOTICES

1. Under the RBF Grant Agreement, any Written Notice, including any notification, request or demand made by one Party to be given to the other shall be made in writing and shall be transmitted by ………… (specify hand, by mail or e-mail).

2. The notices shall be delivered as follow:
   - To the Granting Authority: ……………………………………… (specify the Granting Authority contact details);
   - To the Grant Beneficiary: ……………………………………… (specify the Project Developer contact details).

3. All notifications shall be deemed to have been received on the date of their delivery to the address if delivered by hand or courier, on return receipt requested if delivered by certified mail, and on automated delivery receipt or confirmation of receipt from relevant server if sent by email.

4. If a Party changes its notice details set out above, it shall provide the other Party with prompt notice of any such changes.

TERMINATION AND FORCE MAJEURE

ARTICLE 17 – TERMINATION

1. Termination
   a. Unless extended as per Article 3 (2), this Agreement shall terminate upon the Expiry Date as mentioned under Article 3 (1).

2. Extraordinary Termination
   a. In the event where one of the Parties is in material breach of its obligations, including failure to fulfil the Conditions Precedent within the times specified or failure to disburse the Grant within the specified time period, which affects the performance of this Agreement, and fails to remedy such breach within ……………………………………… (number of days) days from the receipt of a Written Notice of such failure, or fails to execute the directions issued under the Dispute Resolution and Arbitration process under Article 19 within such aforementioned period,
the other Party shall be entitled to terminate this Agreement by serving a Written Notice of termination upon the Party in breach, and the termination shall become effective after ………… (Specify no. of days) from the receipt of the Written Notice. Either Party may also terminate this Agreement before the Expiry Date in the event of Force Majeure in accordance with Article 18.

3. **Consequence of termination:**
   
a. Prior to the anticipated termination of the Agreement, the Parties shall meet and agree in writing on detailed procedures for the termination process to be followed.

b. Upon termination of this Agreement due to breach of any terms of this Agreement by the Grant Beneficiary, the Granting Authority shall have the right to apply any Earmarked Funding for the Project to any other eligible project.

**ARTICLE 18 – FORCE MAJEURE**

1. On the occurrence of a Force Majeure Event, the affected Party shall immediately give notice to the other Party of the circumstances, events or conditions, within a period of …………………………………………………(specify number of days) days following the occurrence of the event.

2. The Party affected by a Force Majeure Event shall make all reasonable efforts to reduce and mitigate the effects occasioned by the Force Majeure Event on the provided Services and the performance of this Agreement, and the Parties shall together take all necessary measures to carry on their obligations under this Agreement and limit the consequences of the Force Majeure Event.

3. Notwithstanding the aforementioned, in the event of inability to fulfil its obligations due to the Force Majeure Event, the affected Party shall not be liable for any delay or failure in performing its obligations due to a Force Majeure Event for the duration of such Force Majeure Event.

4. If the Force Majeure Event persists for a period of………………………………………………(specify number of days) days from the occurrence of such Force Majeure Event, either Party shall be entitled to terminate this Agreement by serving a Written Notice to the other Party, and such termination shall become effective ………………………………………………… (specify number of days) days from the receipt of the Written Notice by the other Party, provided, however, that the Force Majeure Event or its consequences persist.
DISPUTE RESOLUTION AND ARBITRATION

ARTICLE 19 – DISPUTE RESOLUTION AND ARBITRATION

1. Amicable procedure
   a. In case of any dispute arising from the terms of this Agreement or its construction or interpretation, or disagreement on the fulfilment of any obligations, the Parties shall first undertake amicable discussions with the aim of an amicable agreement to resolve any such disputes.
   b. All disputes arising between the Parties concerning the application or interpretation of this Agreement which are not settled by amicable agreement within …………………………………………… (specify number of days) days after the receipt by either Party of the request for amicable settlement by the other Party, shall entitle either Party to refer the dispute to an arbitration procedure.

2. Arbitration
   a. Any disputes which cannot be amicably resolved as per Article 19 (1), shall be finally settled by arbitration in accordance with the …………………………………………… (specify the law/rule governing this arbitration, national or international).
   b. The Parties shall nominate one arbitrator by mutual agreement, and where they are unable to agree on the appointment of an arbitrator, recourse shall be made available to the ……………………………………… (specify the relevant court or agency with competence to decide).
   c. The place of arbitration shall be …………………………… (specify the city), and the language of arbitration shall be ………………… (specify the language). Parties shall bear their own costs for the arbitration.
   d. The award under such arbitration shall be final and binding upon the Parties, save in the event of fraud or manifest error, and judgement thereon may be entered in any court having jurisdiction for its enforcement; and the Parties renounce any right or appeal from the decision of the arbitral tribunal insofar as such renunciation can validly be made.
   e. This Agreement to arbitrate constitutes a waiver of any right to sovereign immunity from execution to which a Party might otherwise be entitled with respect to the enforcement of any award rendered by an arbitral tribunal constituted pursuant to this Agreement.
MISCELLANEOUS PROVISIONS

ARTICLE 20 – INDEMNITIES

1. From and after the Effective Date and throughout the Grant Period, both Parties shall indemnify and hold harmless the other Party against all obligations, losses, damages, costs, demands and expenses incurred by the other Party, including those resulting from death, personal injury or property damage, arising as a result of a Party’s breach, negligent act or omission.

2. The indemnity shall not apply to the extent that such claim, loss, damage, injury or death is attributable to the following:
   a. A negligent act or omission or wilful misconduct by the other Party; or
   b. Any breach of warranty, any misrepresentation by the other Party, or any failure to perform any of the terms, conditions, agreements, obligations to be performed by the other Party under this Agreement which adversely affects the activities referred to in Article 2, or
   c. Violation of any Applicable Law by the other Party.

ARTICLE 21 – GOVERNING LAW

The Agreement shall be governed by, and construed and enforced in accordance with the laws in force in ……………………………………….. (specify the country).

ARTICLE 22 – SOVEREIGN IMMUNITY

To the extent that the Granting Authority may in any jurisdiction claim for itself immunity from legal proceedings in relation to this Agreement, the Granting Authority hereby agrees not to claim and hereby irrevocably and unconditionally waives such immunity to the full extent permitted by the laws of the relevant jurisdiction.

ARTICLE 23 – WAIVER

1. In the event that one Party has not fulfilled its obligations as set out under this Agreement, the other Party may waive the performance of such obligations to the extent permitted by Applicable Laws.

2. No waiver shall be effective unless expressly provided for in writing and duly signed by each of the Parties hereto or authorized representatives, and no waiver shall be construed as a waiver of any other or subsequent default of obligations by either Party under this Agreement.

3. Under this Agreement, the following shall not constitute a waiver:
   a. ……………………………………………….. (specify the default or failure)
   b. ……………………………………………….. (specify the default or failure)
   c. ……………………………………………….. (specify the default or failure)
ARTICLE 24 – FINAL AGREEMENT

1. This Agreement, including attached Annexes, constitutes the entire agreement and understanding between the Parties with respect to the Grant. This Agreement cancels and replaces any previous understandings, agreements or arrangements, whether written or oral, between the Parties. No amendment or modification of this Agreement shall be valid and effective unless mutually agreed upon by both Parties in writing.

ARTICLE 25 – SURVIVAL

1. In the event of any contradiction between the articles of the present Agreement and its Annexes, the articles of the present Agreement shall prevail.

2. In case of contradiction between the requirements presented in the Annexes, the Annexes mentioned first in the list below shall prevail over those mentioned further below:

   a. ……………………………………………….. (specify the annex of reference)
   b. ……………………………………………….. (specify the annex of reference)
   c. ……………………………………………….. (specify the annex of reference)

3. In the event that any provision of this Agreement is, or becomes, or is declared to be invalid, illegal or unenforceable by any Applicable Laws or court of competent jurisdiction, the Parties shall negotiate an adjustment of such provision reflecting the original intent, and the remaining provisions shall remain unaffected.

ARTICLE 26 – COUNTERPARTS

This Agreement shall be executed in counterparts and each counterpart shall be considered one and the same Agreement, and each will be deemed an original.

(Add additional Article if necessary)
IN WITNESS WHEREOF, this Agreement has been executed in two counterparts by duly authorized representative of the Parties hereto on the day, month and year first above written.

SIGNATURE AND DATE

Signed for and on behalf of Granting Authority
Date: 
By: 
Name: 
Authorized signatory 
Seal

Signed for and on behalf of the Project Developer
Date: 
By: 
Name: 
Authorized signatory 
Seal
ANNEXES

ANNEX 1 – CONDITIONS PRECEDENT

Please note that some of the conditions in this Section may already be fulfilled through a duly filled application for the RBF Grant which has been accepted by the Granting Authority, in which case the respective conditions may be deleted.

Milestone 1

Disbursement of advance payment of … % (enter percentage) within ….. days (enter number of days) following the fulfilment of the following conditions:

a. Mutual signature of the Grant Agreement (Effective Date).

b. Grant Beneficiary being a duly incorporated and registered legal entity, proven through commercial register entry.

c. The Grant Beneficiary having obtained a license for the Project.

d. Proof of technical, financial, managerial and procurement capacity of grant beneficiary to implement the Project.
   ○ Proof of technical capacity to be obtained through: (To be defined)
   ○ Proof of financial capacity to be obtained through: (To be defined)
   ○ Proof of managerial capacity to be obtained through: (To be defined)
   ○ Proof of procurement capacity to be obtained through: (To be defined)

e. Proof of creditworthiness of the grant beneficiary provided by a reputable bank.

f. Provision of bank guarantee or other acceptable payment guarantee covering the advance payment.

Milestone 2

Disbursement of … % of total grant amount within ….. days (enter number of days) following the verification of delivery of all project components and equipment on the project site by an independent third party. A request for immediate verification of equipment is to be communicated by the Developer to the Granting Authority upon arrival of the material and all material is to be inspected with a verification provided within …days (enter number of days) following the notification by the Developer.

Milestone 3

Final disbursement of outstanding balance upon verification by an independent third party of total number of new connections as per agreed Service Level defined in this Agreement.

Agreed Service Level for all newly connected Users under this Agreement: (Please specify)

It is the recommendation of the authors that for mini-grids, at minimum Tier 4 connections are prescribed.
Service Level Specification

*(the following description is for information and customisation as per requirement)*

As a basis for the RBF Grant, the Granting Authority sets the Service Levels as per the Multi-Tier Framework defined by SE4ALL.

Access to reliable affordable and modern electricity service is measured along several attributes, from Tier 0 (no access) to Tier 5 (highest level of access). In the context of an off-grid Mini-grid, only Tier 1 to Tier 5 are considered.

Table 1. Adapted from Electricity Service Level and Multi-Tier Framework (ESMAP, 2020)

<table>
<thead>
<tr>
<th>Attributes</th>
<th>Tier 1</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Availability (Duration)</strong></td>
<td></td>
</tr>
<tr>
<td>Entire Day (hrs)</td>
<td>≥ 4</td>
</tr>
<tr>
<td>Evening (hrs)</td>
<td>≥ 1</td>
</tr>
<tr>
<td><strong>Services Capacity</strong></td>
<td></td>
</tr>
<tr>
<td>Lighting only</td>
<td></td>
</tr>
<tr>
<td>Lighting, air circulation, TV and phone charging</td>
<td></td>
</tr>
<tr>
<td><strong>Reliability (disruptions)</strong></td>
<td></td>
</tr>
<tr>
<td>More than 14 disruptions per week</td>
<td></td>
</tr>
<tr>
<td>At most 14 disruptions per week or 3 disruptions with more than 2 hours duration</td>
<td></td>
</tr>
<tr>
<td>At most 3 disruptions per week with less than 2 hours duration</td>
<td></td>
</tr>
<tr>
<td><strong>Quality (voltage)</strong></td>
<td></td>
</tr>
<tr>
<td>Voltage problems may be experienced that damage appliances</td>
<td></td>
</tr>
<tr>
<td>Voltage problems do not affect the use of desired appliances</td>
<td></td>
</tr>
<tr>
<td><strong>Health and Safety</strong></td>
<td></td>
</tr>
<tr>
<td>Serious or fatal accidents due to electricity connection</td>
<td></td>
</tr>
<tr>
<td>Absence of past accidents</td>
<td></td>
</tr>
</tbody>
</table>

- Verification process

*(Please specify)*
ANNEX 2 – SPECIFICATIONS

Note that the specifications provided for here should be complimentary and additional to any specifications prescribed as per relevant regulation.

- Construction Specifications
  (to be filled)

- Operation Specifications
  (to be filled)

- Maintenance Specifications
  (to be filled)

- Environmental Specifications
  (to be filled)
ANNEX 3 – MONITORING AND PERFORMANCE

Assessing the performance on the outputs is strongly recommended. This annex provides an opportunity to outline ongoing monitoring and performance measures that will be conducted following the commissioning of the Project.

1. Performance indicators and method of measurement
(to be defined)

2. Maintenance indicators and method of measurement
(to be defined)

3. Audit Procedures and method of measurement
(to be defined)
ANNEX 4 – FORMAT OF THE ACTIVITY REPORTS

The standardised activity reports could include an explanation of the work carried out, information on the progress of construction and connection of users vis-à-vis the targets and any other info as required for the agency.