

Public Disclosure Authorized

**OFFICIAL  
DOCUMENTS**

---

---

**CREDIT NUMBER 5587-KE**

**Financing Agreement**

**(Electricity Modernization Project)**

**between**

**REPUBLIC OF KENYA**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

Dated 29 JUNE , 2015

---

---

**CREDIT NUMBER 5587-KE**

**FINANCING AGREEMENT**

AGREEMENT dated JUNE 29, 2015, entered into between REPUBLIC OF KENYA ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association hereby agree as follows:

**ARTICLE I — GENERAL CONDITIONS; DEFINITIONS**

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

**ARTICLE II — FINANCING**

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to one hundred seventy-two million six hundred thousand Special Drawing Rights (SDR 172,600,000) (variously, "Credit" and "Financing"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%).
- 2.05. The Payment Dates are May 15 and November 15 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.07. The Payment Currency is Dollar.

### **ARTICLE III — PROJECT**

- 3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out Parts D.1(a), D.1(b), D.1(c) and D.1(e) of the Project through MOEP, and cause Parts A, B, C.1, and D.1(d) of the Project to be carried out by the KPLC and Part C.2 of the Project to be carried out by REA, all in accordance with the provisions of Article IV of the General Conditions and the KPLC and REA Project Agreements.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association 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 IV — REMEDIES OF THE ASSOCIATION**

- 4.01. The Additional Events of Suspension consist of the following:
- (a) The KPLC Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the KPLC to perform any of its obligations under the Project Agreement.
  - (b) The REA Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the REA to perform any of its obligations under the Project Agreement.
- 4.02. The Co-financing Deadline for the effectiveness of the Co-financing Agreement is June 30, 2016.
- 4.03. The Additional Event of Acceleration consists of the following, namely that any event specified in paragraphs (a) and (b) of Section 4.01 of this Agreement occurs.

### **ARTICLE V — EFFECTIVENESS; TERMINATION**

- 5.01. The Additional Conditions of Effectiveness consist of the following:
- (a) The KPLC Subsidiary Financing Agreement, in form and substance satisfactory to the Association, has been executed on behalf of the Recipient and the KPLC.
  - (b) The KPLC Subsidiary Grant Agreement, in form and substance satisfactory to the Association, has been executed on behalf of the Recipient and the KPLC.

- (c) The REA Subsidiary Grant Agreement, in form and substance satisfactory to the Association, has been executed on behalf of the Recipient and the REA.
  - (d) KPLC and REA have adopted the KPLC and REA Project Implementation Manuals, in form and substance satisfactory to the Association.
- 5.02. The Additional Legal Matters consist of the following, namely that the KPLC Subsidiary Financing Agreement, the KPLC Subsidiary Grant Agreement and the REA Subsidiary Grant Agreement have been duly authorized or ratified by the Recipient and the KPLC and REA respectively and are legally binding upon the Recipient and the KPLC and REA in accordance with their terms.
- 5.03. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
- 5.04. For purposes of Section 8.05(b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty years after the date of this Agreement.

**ARTICLE VI — REPRESENTATIVE; ADDRESSES**

- 6.01. The Recipient's Representative is its Cabinet Secretary at the time responsible for Finance.
- 6.02. The Recipient's Address is:  
The National Treasury  
Treasury Building  
P.O Box 30007-00100  
Nairobi, Kenya  
Facsimile:  
254 20 330426; 254 20 218475
- 6.03. The Association's Address is:  
International Development Association  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America  
Cable: INDEVAS                      Telex: 248423 (MCI)                      Facsimile: 1-202-477-6391  
Washington, D.C.

AGREED at NAIROBI, KENYA, as of the day and year first above written.

REPUBLIC OF KENYA

By



Authorized Representative

Name:

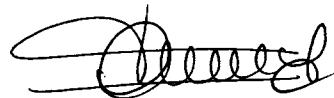
HENRY ROTICH

Title:

CABINET SECRETARY  
THE NATIONAL TREASURY

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name:

DARIGEDU GANE

Title:

COUNTRY DIRECTOR

## **SCHEDULE 1**

### **Project Description**

The objectives of the Project are to: (a) increase access to electricity; (b) improve reliability of electricity service; and (c) strengthen KPLC's financial situation.

The Project consists of the following parts:

#### **Part A: Improvement in Service Delivery and Reliability**

1. Upgrading of the KPLC's Supervisory Control and Data Acquisition/Energy Management System (SCADA/EMS) by incorporating key existing substations into it, to enhance flexibility in operations and allow a more efficient management of the distribution network.
2. Reducing the duration of system interruptions, through the implementation of various actions to automate and enhance the operational flexibility of the distribution network, including automation of the networks in Nairobi by installing a total of 1000 load break switches in assets operating at 11, 33, and 66 kV, with associated Remote Terminal Units (RTUs) and communications features enabling remote control and operations.
3. Enhancing maintenance practices to improve the quality in electricity supply, including implementation of Live-Line Maintenance (LLM) and provision of specific equipment, tools and intensive training for staff in charge of the works.

#### **Part B: Revenue Protection Program**

1. Carrying out of a revenue protection program through: (a) the creation of Metering Control Centers (MCCs) and investments in infrastructure needed to operate them; (b) the incorporation of a state-of-the-art Meter Data Management software and training of staff of the integrated metering centers in its proper use; and (c) the supply and installation of Advanced Metering technology (AMI) for about 4,300 high and medium voltage users and 40,000 large low voltage customers, and incorporation of those customers to the respective MCCs.

#### **Part C: Electrification Program**

1. Financing of the design, materials and construction works required to electrify households and businesses in some high population density peri-urban areas located close to existing electricity networks.
2. Implementation of off-grid electrification solutions in areas where connection to the national grid is financially not viable in the short and medium term, through (a) mini-grids supplied preferably by hybrid generation systems, combining

renewable resources (solar or wind) and thermal units running on diesel under a Public-Private-Partnership (PPP) approach; and (b) construction of necessary distribution infrastructure.

**Part D: Technical Assistance and Capacity Building**

1. Provision of technical advisory and consultancy services, feasibility studies for new investments, training and selected activities, including:
  - (a) Preparation of a national electrification strategy to achieve universal access to electricity services meeting applicable standards on quality in a sustainable manner in the shortest possible time and optimizing allocation of resources, and costs for the coordination of the Project.
  - (b) Development of detailed national technical specifications and standardization, including technical and economic optimization of the design and construction of electricity networks needed to supply new users located in unserved areas, meeting applicable standards on service quality.
  - (c) Drafting of regulations for enforcing quality on electricity service delivery, including assistance to ERC to implement a regime on service quality, based on systematic monitoring of key parameters through direct access of the records of the information systems used by KPLC.
  - (d) Preparation of feasibility studies for new investments, as required, and training, and other activities to support the implementation and monitoring and evaluation of the Project and to carry out feasibility studies and other activities to support sector development.
  - (e) Carrying out of a series of training and capacity building programs for MOEP, KPLC, REA and ERC.

## **SCHEDULE 2**

### **Project Execution**

#### **Section I. Implementation Arrangements**

##### **A. Institutional Arrangements**

1. The Recipient shall, through MOEP:
  - (a) coordinate the overall implementation, and provide oversight to the Project to ensure timely results;
  - (b) appoint, no later than ninety (90) days after the Effective Date, a Project Coordinator to assist MOEP to discharge its functions, coordinate the training programs of the KPLC and REA and consolidate their progress reports; and
  - (c) directly implement Parts D.1(a), D.1(b), D.1(c) and D.1(e) of the Project.
2. The Recipient shall cause MOEP to conduct regular meetings, on a quarterly basis, to track the progress of the Project and to recommend corrective measures.
3. The Recipient shall, through MOEP, ensure that:
  - (a) KPLC implements Part A, B, C.1 and D.1(d) of the Project in accordance with this Agreement, and as appropriate, the KPLC Project Agreement and the KPLC Implementation Manual; and
  - (b) REA implements Part C.2 of the Project in accordance with this Agreement, and as appropriate, the REA Project Agreement, and the REA Implementation Manual.
4. The Recipient shall ensure that, at all times, and until the completion of the Project, the KPLC has at least two Independent Directors in the KPLC Board.

##### **B. Subsidiary Agreement**

1. (a) The Recipient shall make part of the proceeds of the Financing available to KPLC under a subsidiary loan agreement (KPLC Subsidiary Financing Agreement), to facilitate the carrying out of Parts A and B of the Project, under terms and conditions approved by the Association and including, among others, the following: (i) repayment of principal in thirty-eight (38) years, including a grace period of six (6) years; and (ii) the payment of interest at the rate of two percent (2%) per annum.



- (b) The Recipient shall, under terms and conditions approved by the Association, and in form and substance acceptable to the Association, make part of the proceeds of the Financing available to KPLC under a subsidiary grant agreement (KPLC Subsidiary Grant Agreement), to facilitate the carrying out of Parts C.1, D.1(d) and part of D.1(e) of the Project.
- 2. The Recipient shall, under terms and conditions approved by the Association, and in form and substance acceptable to the Association make part of the proceeds of the Financing available to REA under a subsidiary grant agreement (REA Subsidiary Grant Agreement), to facilitate the carrying out of Parts C.2 and part of D.1(e) of the Project.
- 3. The Recipient shall exercise its rights under the KPLC Subsidiary Financing Agreement, the KPLC Subsidiary Grant Agreement and the REA Subsidiary Grant Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the KPLC Subsidiary Financing Agreement, the KPLC Subsidiary Grant Agreement and the REA Subsidiary Grant Agreement if any such amendment or waiver may, in the opinion of the Association, materially or adversely affect the implementation of the Project.

**C. Anti-Corruption**

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

**D. Environment and Social Safeguards**

- 1. The Recipient shall ensure that the Project is implemented in accordance with Safeguard Frameworks and the Safeguard Instruments. To that end, if any Project activities would, pursuant to the relevant Safeguard Framework, require the preparation of a Safeguard Instrument, the Recipient shall ensure that said activities shall not be implemented unless and until said Safeguard Instrument has been: (a) prepared, in accordance with the relevant Safeguard Framework and furnished to the Association for approval; (b) disclosed following approval of the Association; and (c) all measures required to be taken thereunder prior to the commencement of said activities, have been taken. Except as the Association shall otherwise agree in writing, and subject to compliance with the same consultation and information disclosure requirements as applied to the adoption of the aforesaid Safeguard Instruments in the first instance, the Recipient shall not amend or waive any provision of the Safeguard Instruments.

2. The Recipient shall, in its Project Reports, report on progress made on compliance with the Safeguards Instruments under the Project, giving details of measures taken in furtherance of the Safeguard Instruments and any conditions which interfere or threaten to interfere with the timely implementation of the Safeguards Instruments, and remedial measures taken or required to be taken to address such conditions.
3. The Recipient shall ensure that all advisory, analytical, planning, institutional capacity building, strategizing and such other services carried out under the Project shall be carried out according to terms of reference, satisfactory to the Association, requiring such services to deliver products which take into account, and are consistent with, the Association's social and environmental safeguard policies.

## **Section II. Project Monitoring, Reporting and Evaluation**

### **A. Project Reports**

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators acceptable to the Association. Each Project Report shall cover the period of one calendar quarter, and shall be furnished to the Association not later than one month after the end of the period covered by such report.

### **B. Financial Management, Financial Reports and Audits**

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.
2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association as part of the Project Report not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.
3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09(b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements and management letter for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

**Section III. Procurement**

**A. General**

1. **Goods, Works and Non-consulting Services.** All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association 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 provisions set forth in paragraph 3 of this Section B
(c)	Shopping
(d)	Procurement under Framework Agreements in accordance with procedures which have been found acceptable to the Association
(e)	Direct Contracting
(f)	Procurement under Public Private Partnership Arrangements in accordance with procedures which have been found acceptable to the Association
(g)	Community Participation procedures which have been found acceptable to the Association

3. The following additional provisions shall apply to National Competitive Bidding:

- (a) The tender submission date shall be set at least thirty (30) days after the later of: (i) the date of advertisement; and (ii) the date of availability of the tender documents.
- (b) Recipient-owned enterprises shall be allowed to participate in the tendering only if they can establish that they are legally and financially autonomous, operate under commercial law and are independent agencies of the Recipient's government.
- (c) Bidding documents and tender documents shall contain, *inter alia*, draft contracts and conditions of contracts, including provisions on fraud and corruption, audit and publication of award and shall be in form and substance satisfactory to the Association.
- (d) Extension of tender validity shall be allowed once only, and for not more than thirty (30) days, unless otherwise previously agreed in writing by the Association.
- (e) Tender evaluation shall be based on quantifiable criteria expressed in monetary terms as defined in the tender documents, and not on a merit points system.
- (f) No domestic preference shall be used in the evaluation of tenders. Accordingly, contracts shall be awarded to qualified tenderers who have submitted the lowest evaluated substantially responsive tender.
- (g) Notification of contract award shall constitute formation of the contract. No negotiation shall be carried out prior to contract award.
- (h) The two envelope bid opening procedure shall not apply.

**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 contracts which are specified in the Procurement Plan:

<b>Procurement Method</b>
(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) Well-established Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the Association
(g) Selection of consultants under Indefinite Delivery Contract or Price Agreement
(h) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants
(i) Single-source procedures for the Selection of Individual Consultants

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

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

**Section IV. Withdrawal of the Proceeds of the Financing**

**A. General**

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall 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 Association 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 Financing ("Category"), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<b>Category</b>	<b>Amount of the Credit Allocated (expressed in SDR)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Goods, works, non-consulting services, and consultants' services for Parts A, B and D.1(d) of the Project	64,500,000	100%
(2) Goods, works, non-consulting services, and consultants' services for Part C.1 of the Project	103,600,000	100%
(3) (a) Goods, works, non-consulting services, and consultants' services for Part C.2(a) of the Project  (b) Goods, works, non-consulting services, and consultants' services for Part C.2(b) of the Project	00  1,700,000	0%  100%
(4) Goods, works, non-consulting services, and consultants' services for Parts D.1(a), D.1(b) and D.1(c) of the Project.	1,400,000	100%
(5) Training under Part D.1(e) of the Project	1,400,000	100%
<b>TOTAL AMOUNT</b>	172,600,000	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
  - (a) for payments made prior to the date of this Agreement; or
  - (b) under Category 3(b), unless the REA has: (i) reconstituted its board audit committee, including appointment of all members thereof, in form and with terms of reference acceptable to the Association; and (ii) appointed a transaction adviser for the implementation of Part C.2 of the Project, under terms of reference acceptable to the Association.
  
2. The Closing Date is June 30, 2020.

**SCHEDULE 3**

**Repayment Schedule**

<b>Date Payment Due</b>	<b>Principal Amount of the Credit repayable (expressed as a percentage)*</b>
On each May 15 and November 15, commencing May 15, 2021, to and including November 15, 2052	1.5625%

\* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03(b) of the General Conditions.

## APPENDIX

### Section I. Definitions

1. “Anti-Corruption Guidelines” means 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.
2. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
3. “Co-financier” means the International Development Association (Association), in its capacity as administrator of the Scaling-up Renewable Energy Program (SREP) funds.
4. “Co-financing” means an amount of 7,500,000 Dollars, to be provided by the Association acting as administrator of the SREP Fund.
5. “Co-financing Agreement” means the Grant Agreement providing for the Co-financing.
6. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers”, dated January 2011 (revised July 2014).
7. “Displaced Persons” means persons who on account of the execution of Parts of the Project, had or would have their: (i) standard of living adversely affected; or (ii) right, title, interest in any house, land (including premises, agricultural and grazing land) or any other fixed or movable asset acquired or possessed, temporarily or permanently; or (iii) access to productive assets adversely affected, temporarily or permanently; or (iv) business, occupation, work or place of residence or habitat adversely affected; and “Displaced Person” means any of the Displaced Persons;
8. “Environmental and Social Management Framework” or “ESMF” means the instruments satisfactory to the Association, prepared and adopted by the Recipient, and disclosed in country and in the Association’s Infoshop on February 3, 2015, outlining the process for management of the environmental and social aspects of the Project as the same may be amended from time to time with the Association’s prior written concurrence.
9. “Environmental and Social Management Plan” or “ESMP” means collectively (i) the ESMP prepared by KPLC for Parts A.1 and A.2 of the Project, satisfactory to the Association disclosed on January 9, 2015; and (ii) any plan to be prepared by the Recipient, consistent with the ESMF, and to be duly disclosed in country and in the Association’s Infoshop, providing details about the management of the



environmental and social aspects of the activities to be carried out under the Project, as the same may be amended from time to time with the Association's prior written concurrence.

10. "Environmental and Social Impact Assessment" or "ESIA" means the study, acceptable to the Association, to be prepared by the Project Implementing Entities, and to be disclosed in country and in the Association's Infoshop, consisting of *inter alia*: (i) a description of the Project activities and a justification of the said activities, including alternatives considered during the Project design phase; (ii) the potential and actual adverse environmental and social impacts of the activities referred to under sub-paragraph (i) above; and (iii) an environmental and social management plan setting forth measures to be taken during the implementation and operation of the Project to mitigate, eliminate or otherwise offset adverse social and environmental impacts, or to reduce them to acceptable levels and to ensure compliance of the Project activities with such measures, as the same may be amended from time to time with the Association's prior written concurrence.
11. "ERC" or "Energy Regulatory Commission" means the regulator of the energy sector established and operating pursuant to the Energy Act, 2006, or its legal successor thereto.
12. "General Conditions" means the "International Development Association General Conditions for Credits and Grants", dated July 31, 2010.
13. "Independent Director" means a non-executive director who: (a) is not a representative of a major shareholder or nominated by such a shareholder; (b) has not been employed by the KPLC (as hereinafter defined), or the group of which it currently forms part, in any executive capacity for the preceding 5 years; (c) is not a professional advisor to the KPLC or the group, other than in a director capacity; (d) is not a significant supplier or customer to the KPLC or the group; (e) has no significant contractual relationship with the KPLC or the group and; (f) is free from any business or other relationship which would be seen to materially interfere with the individual's capacity to act in an independent manner.
14. "Kenya Power and Lighting Company Limited" or "KPLC" means a publicly listed, limited liability company incorporated under the Companies Act, Cap 486, of the laws of the Recipient, and responsible for transmission and distribution of electricity or any legal successor thereto.
15. "KPLC Implementation Manual" means the manual, satisfactory to the Association, to be prepared by the KPLC pursuant to Section 5.01(d) of the Project setting forth the rules, procedures, and guidelines for implementing Parts A, B, C.1, D.1(d) and D.1(e) of the Project, as well as the indicators for the

monitoring of said Parts of the Project, as the said manual may be amended and supplemented from time to time with the prior written approval of the Association.

16. "KPLC Legislation" means Memorandum and Articles of Association setting up KPLC, or any successor thereto.
17. "KPLC Subsidiary Financing Agreement" means the Subsidiary Agreement between the Recipient and KPLC, referred to in Section I.B.1(a) of Schedule 2 to this Agreement.
18. "KPLC Subsidiary Grant Agreement" means the Subsidiary Agreement between the Recipient and KPLC, referred to in Section I.B.1(b) of Schedule 2 to this Agreement.
19. "MOEP" means the Recipient's Ministry of Energy and Petroleum, or any successor thereto.
20. "Procurement Guidelines" means 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 (revised July 2014).
21. "Procurement Plan" means the Recipient's procurement plan for the Project, dated February 6, 2015, 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.
22. "Project Implementing Entity" means KPLC, with respect to Parts A, B, C.1 and D.1(d) of the Project, and REA, with respect to Part C.2 of the Project; and "Project Implementing Entities" means KPLC and REA collectively.
23. "Project Implementation Units" or "PIUs" means: (a) the two implementation units maintained by KPLC, and referred to in paragraph A.1 of Section I of the Schedule to the KPLC Project Agreement; and (b) the implementation unit maintained by REA, and referred to in paragraph A.1 of Section I of the Schedule to the REA Project Agreement.
24. "REA Legislation" means the Recipient's Energy Act, 2006 setting up REA, or any successor thereto.
25. "Resettlement Action Plan" or "RAP" means the plan, satisfactory to the Association, to be prepared by the Recipient on the basis of the RPF (as hereinafter defined), and to be duly disclosed in country and in the Association's Infoshop, as the said document may be amended and/or supplemented from time to time with the prior written concurrence of the Association and subject to the initial consultation and disclosure requirements carried out on the RAP.

26. "Resettlement Policy Framework" or "RPF" means the framework for Part C.1 and C.2 of the Project prepared by the Recipient, disclosed in country and in the Association's Infoshop on February 3, 2015, for compensation payments to be made under the Project to Displaced Persons as the said document may be amended and/or supplemented from time to time with the prior written concurrence of the Association.
27. "REA" means the Rural Electrification Authority established under the Recipient's Energy Act, 2006, or any legal successor thereto.
28. "REA Implementation Manual" means the manual, satisfactory to the Association, prepared by the REA, pursuant to Section 5.01(d) of this Agreement, setting forth the rules, procedures, and guidelines for implementing Parts C.2 of the Project, as well as the indicators for the monitoring of said Part of the Project, as the said manual may be amended and supplemented from time to time with the prior written approval of the Association.
29. "REA Subsidiary Grant Agreement" means the Subsidiary Agreement between the Recipient and REA, referred to in Section I.B.2 of Schedule 2 to this Agreement.
30. "Safeguard Frameworks" means, collectively, the ESMFs, RPF and VMGF; and "Safeguard Framework" means any one of the Safeguard Frameworks.
31. "Safeguard Instrument" means, in respect of a given Project activity: (a) for which the ESMF requires an ESIA, said ESIA; (b) for which the ESIA requires an ESMP, said ESMP; (c) for which the RPF requires a RAP, said RAP; and (d) for which a VMGF requires a VMGP, said VMGP; all as shall have been prepared in accordance with the provisions of Section 1.D of Schedule 2 to this Agreement.
32. "Training" means the reasonable costs for the following expenditures incurred in providing training or workshops: travel by participants and presenters to the training or workshop site, per diem allowances of such persons during the training or workshop, honoraria for the presenters, rental of facilities, materials, supplies and translation and interpretation services.
33. "Vulnerable and Marginalized groups" or "VMGs" means distinct, vulnerable, social and cultural groups that may be identified pursuant to the studies outlined in the VMGF (as hereinafter defined) for the purposes of this Project.
34. "Vulnerable and Marginalized Groups Framework" or "VMGF" means an instrument prepared by the Recipient, satisfactory to the Association, disclosed in country and in the Association's Infoshop on February 3, 2015, outlining the basis for identifying vulnerable peoples and their rights, the appropriate

consultative process as well as guidelines to avert, minimize, mitigate, or provide culturally appropriate compensation for any potentially adverse effects as the same may be amended from time to time with the Association's prior written concurrence.

35. "Vulnerable and Marginalized Groups Plan" or "VMGP" means each of the plans to be prepared by the Recipient, satisfactory to the Association, disclosed in country and in the Association's Infoshop, which sets out the measures to be carried out by the Recipient to ensure that: (a) VMGs affected by the project receive culturally appropriate social and economic benefits; and (b) when potential adverse effects on VMGs are identified, those adverse effects are compensated for, avoided, minimized, or mitigated.