

**OFFICIAL  
DOCUMENTS**

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CREDIT NUMBER 5754--RW

**Financing Agreement**

(Rwanda Electricity Sector Strengthening Project)

between

REPUBLIC OF RWANDA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated 15 June 2015 2015

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**CREDIT NUMBER 5754-RW**

**FINANCING AGREEMENT**

AGREEMENT dated December 31, 2015, entered into between REPUBLIC OF RWANDA (“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 sixty-seven million, seven hundred thousand Special Drawing Rights (SDR 67,700,000) (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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.
- 2.05. The Payment Dates are February 15 and August 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 objective of the Project. To this end, the Recipient shall cause the Project to be carried out by the Project Implementing Entity in accordance with the provisions of Article IV of the General Conditions and the Project Agreement.
- 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 Project Implementing Entity's Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Project Implementing Entity to perform any of its obligations under the Project Agreement;
  - (b) A representation made by the Project Implementing Entity in or pursuant to the Project Agreement, or any representation or statement furnished by the Project Implementing Entity and intended to be relied upon by the Association in making the Financing was incorrect in any material respect;
  - (c) the Recipient has taken or permitted to be taken any action which would prevent or interfere with the performance by the Project Implementing Entity of its obligations under the Project Agreement;
  - (d) the Recipient has taken or permitted to be taken any action which would prevent or interfere with the performance by the Energy Development Corporation Limited ("EDCL") of any of its obligations under the Project Support Implementation Agreement; and
  - (e) IBRD or IDA has suspended in whole or in part the right of the Project Implementing Entity or EDCL to make withdrawals under any agreement with IBRD or with IDA because of a failure by the Project Implementing Entity or EDCL to perform any of its obligations under such agreement or any other agreement with IBRD or IDA.

4.02. The Additional Events of Acceleration consist of the following-

- (a) The event specified in paragraph (a) of Section 4.01 of this Agreement occurs.
- (b) The events specified in paragraphs (b), (c), (d) and (e) of Section 4.01 of this Agreement occur and are continuing for a period of sixty ( 60) days after notice of the event has been given by the Association to the Recipient.

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

5.01. The Additional Conditions of Effectiveness consist of the following:

- (a) The Subsidiary Agreement has been signed on behalf of the Recipient and the Project Implementing Entity.
- (b) The Project Implementing Entity has appointed the Project Manager and has established the Project Steering Committee and the Departmental Project Implementation Teams (“DPITs”), all in accordance with the provisions of Section I.A of Schedule 2 to this Agreement.
- (c) The Project Implementing Entity has adopted the Project Implementation Manual in accordance with the provisions of Section I.B of Schedule 2 to this Agreement.
- (d) The Project Implementation Support Agreement has been signed on behalf of the Project Implementing Entity and EDCL in accordance with the provisions of Section I.D of Schedule 2 to this Agreement.
- (e) The Recipient has developed and obtained Cabinet approval of the Sector Financial Recovery Plan.

5.02. The Additional Legal Matter consists of the following, namely that the Subsidiary Agreement has been duly authorized or ratified by the Recipient and the Project Implementing Entity and is legally binding upon the Recipient and the Project Implementing Entity in accordance with its 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 (20) years after the date of this Agreement.

**ARTICLE VI — REPRESENTATIVE; ADDRESSES**

6.01. The Recipient's Representative is its minister at the time responsible for finance.

6.02. The Recipient's Address is:

Ministry of Finance and Economic Planning  
P. O. Box 158  
Kigali, Rwanda

Facsimile: 250-57-75-81

6.03. The Association's Address is:

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

Cable:

Telex:

Facsimile:

INDEVAS  
Washington, D.C

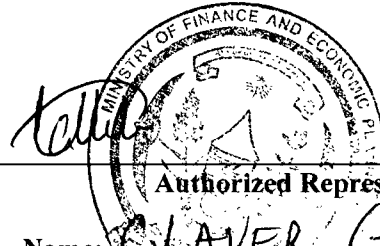
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1-202-477-6391

AGREED at Kigali, Rwanda , as of the day and year first above written.

**REPUBLIC OF RWANDA**

By



Authorized Representative

Name:

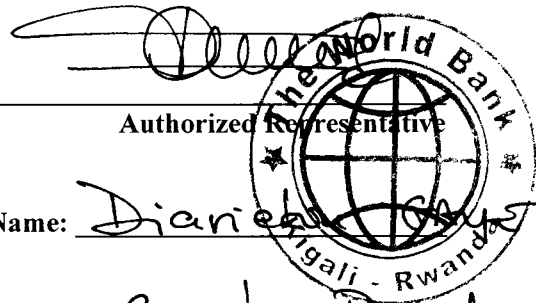
CLAUER GATETE

Title:

MINISTER of FINANCE  
& ECONOMIC PLANNING

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

By



Authorized Representative

Name:

Diane GATETE

Title:

Country Director

## **SCHEDULE 1**

### **Project Description**

The objective of the Project is to enhance the operational efficiency of the Project Implementing Entity and increase electricity access.

The Project consists of the following parts.

#### Part A: Electricity Sector Capacity Strengthening

1. The development and installation of management information systems including a commercial management system, an integrated distribution management system, and an enterprise resource planning system.
2. Carrying out of a program of activities to protect revenue from electricity sales, such activities to include: the creation of a metering control center and supplying needed infrastructure and equipment required for its operation, acquiring of meter data management software and training of staff in its use, and supplying and installing metering infrastructure for targeted customers.
3. Carrying out of a program of activities to strengthen the technical capacity of the Project Implementing Entity, such activities to include: coaching, mentoring and enhancing technical capacity of staff, developing and documenting functional processes and operational procedures, collecting key operational data, and developing and implementing a corporate strategic plan and performance based dashboard.

#### Part B: Increased Access to Electricity Services

1. Carrying out a program of activities to strengthen the distribution network around Kigali area, such activities to include: rehabilitation of the medium voltage switching stations, upgrading the distribution network around Kigali area to increase load capacity; supplying and installing equipment for monitoring and control of the network.
2. Carrying out a program of activities to extend the grid to new load centers, such activities to include: supply and installation of equipment for grid extension and reinforcement, connection of new consumers and carrying out of upstream systems reinforcements as appropriate.

Part C: Technical Assistance and Project Implementation Support

1. Carrying out of feasibility and diagnostic studies.
2. Technical assistance for sector coordination and Project implementation
3. Capacity building for Project implementation.
4. Carrying out of monitoring and evaluation of the Project.
5. Financing of Operating Costs associated with Project implementation



## **SCHEDULE 2**

### **Project Execution**

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

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

###### *Ministry of Infrastructure*

1. The Ministry of Infrastructure shall be responsible for overall policy guidance and implementation of the Project.

###### *Project Steering Committee*

2. The Recipient shall cause the Project Implementing Entity to establish, not later than the Effective Date, and thereafter maintain throughout Project implementation, a Project Steering Committee with terms of reference satisfactory to the Association and with adequate resources to carry out its responsibilities under the Project.
3. Without limitation on the foregoing, the functions of the Project Steering Committee shall be to: (a) provide overall coordination and strategic guidance over the Project; and (b) approve operational procedures and technical designs submitted by DPITs.

###### *Project Manager*

4. The Recipient shall cause the Project Implementing Entity to appoint, not later than the Effective Date, and thereafter maintain throughout the implementation of the Project, a Project Manager with qualifications, experience and terms of reference satisfactory to the Association with the responsibility for overall management and coordination of the implementation of the Project.

###### *Departmental Project Implementation Teams*

5. The Recipient shall cause the Project Implementing Entity to establish, not later than the Effective Date, and thereafter maintain throughout Project implementation, Departmental Project Implementation Teams (DPITs) with terms of reference satisfactory to the Association and with adequate resources to carry out their responsibilities under the Project.
6. Without limitation on the foregoing, the functions of the DPITs shall be to: (a) preparing, reviewing and documenting functional and operational procedures of their respective departments; (b) developing detailed technical designs for their

functional and operational procedures; and (c) providing support for Project implementation within their departments.

*Project Coordination Unit*

7. The Recipient shall cause EDCL: (a) to maintain throughout Project implementation, the Project Coordination Unit (PCU) with terms of reference, staffing and other resources satisfactory to the Association; and (b) to assign to the PCU at all times during Project Implementation, a Project coordinator, a financial management specialist, a procurement specialist, an environmental and social safeguards specialist, a monitoring and evaluation specialist, a construction engineer, an internal auditor and such other staff as may be agreed with the Association, all with qualifications, experience, and terms of reference satisfactory to the Association.
8. Without limitation on the foregoing, the PCU shall be responsible for the day-to-day administration, financial management, procurement, safeguards management, and monitoring and evaluation of the Project.

**B. Implementation Arrangements**

*Project Implementation Manual*

1. The Recipient shall: (a) (i) not later than the Effective Date, cause the Project Implementing Entity to prepare and furnish to the Association a Project implementation manual containing detailed guidelines and procedures for the implementation of the Project, including: administration and coordination; monitoring and evaluation; financial, procurement and accounting procedures; social and environmental safeguards; corruption and fraud mitigation measures; roles and responsibilities of various agencies in the implementation of Project, and such other arrangements and procedures as shall be required for the effective implementation of the Project; and (ii) thereafter cause the Project Implementing Entities to adopt and carry out the Project in accordance with such Project implementation manual as shall have been approved by the Association (Project Implementation Manual); and (b) except as the Association shall otherwise agree in writing, not amend or waive, or permit to be amended or waived any provision of the Project Implementation Manual.
2. In case of conflict between the provisions of the Project Implementation Manual and this Agreement, those of this Agreement shall prevail.

*Annual Work Plans and Budgets*

3. The Recipient shall cause the Project Implementing Entity, not later than June 30 of each year, to prepare and furnish to the Association, an annual program of activities proposed for implementation under the Project during the following Fiscal Year, together with a proposed budget for the purpose.
4. The Recipient shall cause the Project Implementing Entity to exchange views with the Association on each such proposed annual work plan, and shall thereafter cause the Project Implementing Entity to adopt, and carry out such program of activities for such following Fiscal Year as shall have been agreed with the Association, as such plan may be subsequently revised during such following Fiscal Year with the prior written agreement of the Association (Agreed Annual Work Plan).

**C. Subsidiary Agreements**

1. To facilitate the carrying out of the Project, the Recipient shall enter into a subsidiary agreement with the Project Implementing Entity under terms and conditions approved by the Association (“Subsidiary Agreement”) which shall include the obligation of the Project Implementing Entity to:
  - (a) implement the Project with due diligence and efficiency and in conformity with appropriate administrative, technical, financial, economic, environmental and social standards and practices, including the provisions of the Anti-Corruption Guidelines and in accordance with the provisions of this Agreement;
  - (b) ensure that all facilities relevant to the Project shall at all times be properly operated and maintained and that all necessary repairs and renewals of such facilities shall be made promptly as needed;
  - (c) with respect to records management: (i) maintain records adequate to record the progress of the Project (including its cost and the benefits to be derived from it), to identify the goods and services financed out of the proceeds of the Financing and disclose their use in the Project; (ii) furnish such records and information as may be requested by the Recipient or the Association; and (iii) retain all records evidencing expenditures under the Project for the period of time specified in the General Conditions; and
  - (d) with respect to monitoring and evaluation: (i) maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with indicators acceptable to the Recipient and the Association, the progress of the Project and the achievement of its objective; (ii) prepare periodic reports, in form and substance satisfactory to the Recipient and Association, integrating the results of such monitoring

and evaluation activities and setting out measures recommended to ensure the continued efficient and effective execution of the Project, and to achieve its objective, each such report to cover a calendar quarter; (iii) furnish each such report to the Recipient and the Association within forty five (45) days after the end of such period; and (iv) prepare, and furnish to the Recipient a final report, of such scope and in such detail as the Recipient and the Association shall reasonably request, on the execution of the Project, and furnish the same to the Recipient and the Association within not later than (6) months after the end of the Project.

- (e) (i) procure all goods and services required under the Project and to be financed out of the proceeds of the Financing in accordance with the provisions of Section III of this Schedule; and (ii) ensure that all such goods and services are used exclusively for the purposes of the Project;
  - (f) (i) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Recipient and the Association, both in a manner adequate to reflect its operations and financial condition, including the operations, resources and expenditures related to the Project; (ii) avail the records pertaining to the Project to external and internal auditors; (iii) prepare as part of the Project Report, interim unaudited financial reports covering each quarter, and furnish them to the Recipient and the Association not later than forty five (45) days after the end of the period covered by such reports, and provide such other information concerning such unaudited financial statements as the Recipient or the Association may from time to time reasonably request; and (iv) have its financial statements audited by independent auditors and applying standards both acceptable to the Association at least once in each fiscal year; and
  - (g) open and maintain a dedicated Project Account, until the completion of the Project, in the National Bank of Rwanda on terms and conditions acceptable to the Association; and ensure that the funds deposited into the Project Account shall be used exclusively to finance the cost of expenditures related to the Project.
2. The Recipient shall exercise its rights under the Subsidiary 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 any of the Subsidiary Agreements or its provisions therein.

**D. Project Implementation Support Agreement**

1. The Recipient shall not later than the Effective Date, cause the Project Implementing Entity and EDCL to enter into a Project Implementation Support Agreement, on terms and conditions satisfactory to the Association, setting out mutual responsibilities regarding the implementation of the Project.
2. Notwithstanding the provisions of the foregoing sub-section 1 of this Section I.D, the Project Implementation Support Agreement shall incorporate the financial management, procurement, safeguards and monitoring and evaluation responsibilities of the Project Implementing Entity as set out in Section I.C above.

**E. Anti-Corruption**

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

**F. Safeguards.**

1. The Recipient shall cause the Project Implementing Entity to carry out the Project in accordance with the provisions of the Environmental and Social Management Framework (“ESMF”) and the Resettlement Policy Framework (“RPF”).
2. If any Supplemental Social and Environmental Safeguard Instrument is required under any of the Safeguard Instruments, the Recipient shall cause the Project Implementing Entity to:
  - (a) prepare (A) such Supplemental Social and Environmental Safeguard Instrument in accordance with the applicable Safeguard Instrument;(B) furnish such Supplemental Social and Environmental Safeguard Instrument to the Association for review and approval; and (C) thereafter adopt such Supplemental Social and Environmental Safeguard Instrument prior to implementation of the activities ; and
  - (ii) thereafter take such measures as shall be necessary or appropriate to ensure full compliance with the requirements of such Supplemental Social and Environmental Safeguard Instrument.
3. The Recipient shall cause the Project Implementing Entity to ensure that all technical assistance under the Project, application of whose results would have environmental or social implications, shall only be undertaken pursuant to terms of reference reviewed and found satisfactory by the Association, such terms of reference to ensure that the technical assistance takes into account, and calls for application of the Association’s environmental and social safeguard policies and the Recipient’s own laws relating to the environment and social aspects.

4. If any activity under the Project would involve Affected Persons, the Recipient shall cause the Project Implementing Entity to: (i) ensure that no displacement (including restriction of access to legally designated parks and protected areas) shall occur before resettlement measures under a Supplemental Social and Environmental Safeguard Instrument prepared in accordance with the RPF, including, in the case of displacement, full payment to Affected Persons of compensation and of other assistance required for relocation, have been implemented; and (ii) provide from its own resources, any financing required for any measures under sub-paragraph (i) above including any costs associated with land acquisition required for the Project.
5. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall for each of the Safeguards Instruments including the related Supplemental Social and Environmental Safeguard Instrument, cause the Project Implementing Entity to regularly collect, compile and furnish to the Association reports in form and substance satisfactory to the Association, on the status of compliance with such Safeguard Instrument including the related Supplemental Social and Environmental Safeguard Instrument, as part of the Project Reports, giving details of:
  - (i) measures taken in furtherance of the Safeguards Instruments including the related Supplemental Social and Environmental Safeguard Instruments;
  - (ii) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguards Instruments including the related Supplemental Social and Environmental Safeguard Instruments; and
  - (iii) remedial measures taken or required to be taken to address such conditions.

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

### **A. Project Reports**

The Recipient shall cause the Project Implementing Entity to 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 and set out in the Project Implementation Manual. Each Project Report shall cover the period of one calendar quarter and shall be furnished to the Association not later than forty-five (45) days 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 cause the Project Implementing Entity to prepare and furnish to the Association 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 cause the Project Implementing Entity to 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 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 table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods, works and non-consulting services. The Procurement Plan shall specify the circumstances under which such methods may be used:

<b>Procurement Method</b>
(a) National Competitive Bidding
(b) Shopping
(c) Procurement from UN Agencies
(d) Direct Contracting

**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 table specifies the methods of procurement, other than Quality and Cost-based Selection, which may be used for consultant services. The Procurement Plan shall specify the circumstances under which such methods may be used:

<b>Procurement Method</b>
(a) Quality-based Selection
(b) Least Cost Selection
(c) Fixed Budget Selection
(d) Selection based on Consultants' Qualifications
(e) Single-source Selection of consulting firms
(f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants



<b>Procurement Method</b>
(g) 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 Financing Allocated (expressed in (SDR))</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Goods, works, non-consulting services, consultants' services. Training and Operating Costs under the Project	67,700,000	100%
<b>TOTAL AMOUNT</b>	<b>67,700,000</b>	

**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 except that withdrawals up to an aggregate amount not to exceed SDR 6,800,000 may be made for payments made prior to this date but on or after November 1, 2015 for Eligible Expenditures under the Project.
2. The Closing Date is October 31, 2021

**Section V. Other Undertakings**

*Procurement Capacity Building Strategy*

1. The Recipient shall, within six (6) months of the Effective Date adopt a procurement capacity building strategy and implementation plan.

*New Electricity Connections Cost Contributions*

2. The Recipient shall-
  - (a) cause the Project Implementing Entity to maintain at all times during Project implementation, in Rwandan Francs, in the Central Bank, a separate account under terms and conditions acceptable to the Association, (“Electricity Connections Contributions Account”), into which it shall deposit customers’ cash contributions for new electricity connections;
  - (b) not later than the 30<sup>th</sup> of every month, cause the Project Implementing Entity to deposit the cash contributions for new electricity connections received in the preceding month into the Electricity Connections Contributions Account ; and
  - (c) cause the Project Implementing Entity to utilize the cash contributions deposited in the Electricity Connections Contributions Account for re-investing in new electricity connections and to do so in accordance with the provisions of Section I.F and Section III of Schedule 2 to this Agreement.

*Operating Revenue*

3. The Recipient shall ensure that the Project Implementing Entity’s Operating Revenue shall reflect the principles of Cost Recovery and be sufficient to cover Operating Expenses and Debt Service.

**SCHEDULE 3**  
**Repayment Schedule**

<b>Date Payment Due</b>	<b>Principal Amount of the Credit repayable (expressed as a percentage)*</b>
On each February 15 and August 15, commencing February 15, 2022 to and including August 15, 2053	<b>1.5625%</b>

\* 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. “Affected Person” means a person who as a result of: (i) the involuntary taking of land under the Project is affected in any of the following ways: (A) relocation or loss of shelter; (B) loss of assets or access to assets; or (C) loss of income sources or means of livelihood, whether or not the affected person must move to another location; or (ii) the involuntary restriction of access to legally designated parks and protected areas suffers adverse impacts on his or her livelihood
2. “Annual Work Plan and Budget” means the program of activities agreed each Fiscal Year between the Recipient and the Association for implementation under the Project in accordance with Section I.B.3 of Schedule 2 to this Agreement during the following Fiscal Year, as the same may be revised from time to time in accordance with said Section.
3. “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.
4. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
5. “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).
6. “Cost Recovery” means the ability to pay operating expenses and debt service through operating revenue.
7. “Debt Service” means the aggregate amount of repayment of principal, and interest, and other charges on debt.
8. “Departmental Project Implementation Teams” or “DPITs” means the teams established by the Project Implementing Entity in the departments relevant to the Project, and comprising the head of department, dedicated staff and consultants hired to assist with Project implementation in the respective department, and referred to in Section I.A.5 of Schedule 2 to this Agreement.
9. “Energy Development Corporation Limited” or “EDCL” means the Recipient’s limited liability company incorporated and operating under the Companies Act Law No. 07/2009 of 27/04/2009 of the Laws of the Recipient, and responsible for the development of energy or its legal successor thereto.

10. “Energy Utility Corporation Limited” or “EUCL” means the Recipient’s limited liability company incorporated and operating under the Companies Act, Law No. 07/2009 of 27/04/2009 of the Laws of the Recipient, and responsible for the distribution of electricity or its legal successor thereto.
11. “Environmental and Social Management Framework” or “ESMF” means the framework dated September 2015 in form and substance satisfactory to the Association, prepared by the Project Implementing Entity, setting out modalities to be followed in assessing the potential adverse environmental and social impact associated with activities to be implemented under the Project, and the measures to be taken to offset, reduce, or mitigate such adverse impact.
12. “Environmental Management Plan” or “EMP” means a plan in form and substance satisfactory to the Association, prepared and adopted by the Project Implementing Entity pursuant to the ESMF, providing appropriate mitigation, monitoring and institutional measures designed to mitigate potential adverse environmental impacts under the Project, offset them, reduce them to acceptable levels or enhance positive impacts, as the same may be amended from time to time with the agreement of the Association.
13. “Fiscal Year” means each fiscal year of the Recipient commencing on July 1 and ending on June 30 of the subsequent year.
14. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010.
15. “Memorandum and Articles of Association” means the memorandum of association of a company and the articles of association of a company as originally framed or as altered by the company from time to time, and which comprise the constitutive documents for incorporation and or registration of a company ;
16. “Operating Costs” means the expenses incurred on account of Project implementation, based on Annual Work Plans and Budgets approved by the World Bank pursuant to Section I.B.3 of Schedule 2 to this Agreement, including office equipment and supplies, vehicle operation and maintenance, maintenance of equipment, communication and insurance costs, office administration costs, utilities, office rental, consumables, accommodation, salaries and local and international travel costs of Project staff (excluding the salaries of the Recipient’s civil service).
17. “Operating Expenses” means the sum of all expenses related to operations including administration, adequate maintenance, taxes and payments in lieu of taxes, and provisions for uncollected revenue, but excluding non-cash operating charges and costs associated with debt service.

18. “Operating Revenue” means the sum of all revenues generated by operations.
19. “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).
20. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated October 27, 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.
21. “Project Coordination Unit” or “PCU” means a unit within EDCL designated to take on the day-to-day financial management, procurement, safeguards and monitoring and evaluation responsibilities under the Project and referred to in Section I.A.7 of Schedule 2 to this Agreement.
22. “Project Implementation Support Agreement” means the agreement satisfactory to the Association to be signed between the Project Implementing Entity and EDCL setting out the mutual responsibilities for the implementation of the Project and referred to in Section I.D of Schedule 2 to this Agreement.
23. “Project Implementing Entity” means the Energy Utility Corporation Limited.
24. “Project Implementing Entity’s Legislation” means the Companies Act, Law No. 07/2009 of 27/04/2009 of the Laws of the Recipient, pursuant to which the Project Implementing Entity is incorporated and includes the respective Memorandum and Articles of Association.
25. “Project Manager” means the designated team leader responsible for the day-to-day management and coordination of the implementation of the Project and referred to in Section I.A.4 of Schedule 2 to this Agreement.
26. “Project Steering Committee” means the committee established for purposes of the Project, referred to in Section I.A.2 of Schedule 2 to this Agreement chaired by the managing director of the Project Implementation Entity and comprising directors, managers and heads of units responsible for corporate services, finance, commercial, operations, information technology, the Project Manager, the PCU Project coordinator and such other staff as the managing director may determine.
27. “Resettlement Action Plan” and “RAP” mean the plan approved by the Association for the Project, prepared by a Project Implementing Entity on the basis of the RPF 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.

28. "Resettlement Policy Framework" and "RPF" mean a framework in form and substance acceptable to the Association dated September 2015, prepared by the Recipient and outlining the policies and procedures to be implemented in the event that specific activities implemented under the Project have potentially negative impacts on the livelihoods, assets and land of the affected population, as the said framework may be amended and/or supplemented from time to time with the prior written consent of the Association, and such term includes any schedules to such document.
29. "Safeguards Instrument" means each of the ESMF or the RPF.
30. "Sector Financial Recovery Plan" means a plan prepared by the Recipient proposing measures to be taken to improve the financial performance of the energy sector.
31. "Subsidiary Agreement" means the agreement referred to in Section I.C of Schedule 2 to this Agreement entered into between the Recipient and the Project Implementing Entity.
32. "Supplemental Social and Environmental Safeguard Instruments" means any EMP, RAP or other supplemental social and environmental safeguard instrument prepared pursuant to the ESMF or RPF.
33. "Training" means the costs of training under the Project, based on the annual work plans and budgets referred to in Section I.B.3 of Schedule 2 to this Agreement as approved by the Association, and attributable to seminars, workshops, and study tours, along with local and international travel and subsistence allowances for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials, and other activities directly related to course preparation and implementation.