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**LOAN NUMBER 8440-MA**

# **Loan Agreement**

**(Noor-Ouarzazate Concentrated Solar Power Plant Project)**

**between**

**INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT**

**and**

**MOROCCAN AGENCY FOR SOLAR ENERGY**

**Dated December 19, 2014**

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**LOAN NUMBER 8440-MA**

**LOAN AGREEMENT**

AGREEMENT dated December 19, 2014, between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank") and MOROCCAN AGENCY FOR SOLAR ENERGY ("Borrower").

WHEREAS: (A) Kingdom of Morocco (the Guarantor) and the Borrower, having been satisfied as to the feasibility and priority of the Project described in Schedule 1 to this Agreement, have requested the Bank to assist in the financing of Part 1.A, Part 1.C and Part 2 of the Project;

(B) by an agreement (the IBRD Guarantee Agreement) of even date herewith between the Guarantor and the Bank, the Guarantor has agreed to guarantee the Loan Payment obligations of the Borrower in respect of the Loan;

(C) by an agreement of even date herewith (the CTF Loan Agreement), the Bank, acting as the implementing agency of the Clean Technology Fund (CTF) has agreed to make a loan (the CTF Loan) to the Borrower in the amount of one hundred nineteen million Dollars (\$119,000,000) to assist in financing Part 1.A and Part 1.C of the Project on the terms and conditions set forth in the CTF Loan Agreement;

(D) by an agreement (CTF Guarantee Agreement) of even date herewith between the Guarantor and the Bank, the Guarantor has agreed to guarantee the Loan payment obligations of the Borrower in respect of the CTF Loan; and

WHEREAS the Bank has agreed, on the basis, *inter alia*, of the foregoing, to extend the Loan to the Borrower upon the terms and conditions set forth in this Agreement;

The Bank and the Borrower 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 — LOAN

- 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement: (a) the amount of two hundred thirty-four million five hundred thousand Euros (€234,500,000); and (b) the amount of eighty million Dollars (\$80,000,000), as such amounts may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.07 of this Agreement (“Loan”), to assist in financing Part 1.A, Part 1.C and Part 2 of the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The interest payable by the Borrower for each Interest Period shall be at a rate equal to the Reference Rate for the Loan Currency plus the Fixed Spread; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02(e) of the General Conditions.
- 2.05. The Payment Dates are January 1 and July 1 in each year.
- 2.06. The principal amount of the Loan shall be repaid in accordance with the provisions of Schedule 3 to this Agreement.
- 2.07. (a) The Borrower may at any time request any of the following Conversions of the term of the Loan in order to facilitate prudent debt management:
  - (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency; (ii) a change of the interest rate basis applicable to: (A) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa; or (B) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread, or vice versa; or (C) all of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread; and (iii) the

setting of limits on the Variable Rate or the Reference Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate or the Reference Rate.

- (b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a “Conversion”, as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.

### **ARTICLE III — PROJECT**

- 3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall cause Part 1.A of the Project to be carried out by the Second Plant Project Implementing Entity and Part 1.C of the Project to be carried out by the Third Plant Project Implementing Entity, and shall carry out Part 1.B, Part 1.D and Part 2 of the Project in accordance with the provisions of Article V of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

### **ARTICLE IV — REMEDIES OF THE BANK**

- 4.01. The Additional Events of Suspension consist of the following:
  - (a) The Basic Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Borrower to perform any of its obligations under this Agreement, or to achieve the objectives of the Project.
  - (b) The Conventions have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Borrower and/or the Second Plant Project Implementing Entity and/or the Third Plant Project Implementing Entity to perform any of their obligations under this Agreement, or to achieve the objectives of the Project.
  - (c) Any party to any of the Conventions or any of the agreements referred to in Sections IV.B.1.(b)(i)(E), IV.B.1.(b)(i)(H) and IV.B.1.(b)(i)(I), and Sections IV.B.1.(c)(i)(E), IV.B.1.(c)(i)(H) and IV.B.1.(c)(i)(I) of Schedule 2 to this Agreement has: (i) failed to perform any of its

obligations under any of such Conventions or agreements and such default has affected materially and adversely the ability of the Borrower and/or the Second Plant Project Implementing Entity and/or the Third Plant Project Implementing Entity to perform any of their obligations under this Agreement, or to achieve the objectives of the Project; or (ii) terminated any of the Conventions or any of such agreements and such termination has affected materially and adversely the ability of the Borrower and/or the Second Plant Project Implementing Entity and/or the Third Plant Project Implementing Entity to perform any of their obligations under this Agreement, or to achieve the objectives of the Project.

- 4.02. The Additional Events of Acceleration consist of the following:
- (a) Any event specified in paragraphs (a) and (b) of Section 4.01 of this Agreement occurs.
  - (b) The event specified in paragraph (c) of Section 4.01 of this Agreement occurs and is continuing for a period of 60 days after notice of the event has been given by the Bank to the Borrower.

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

- 5.01. The Additional Condition of Effectiveness consists of the following, namely that the CTF Loan Agreement has been executed and delivered and all conditions precedent to its effectiveness (other than the effectiveness of this Agreement) have been satisfied or waived.
- 5.02. The Effectiveness Deadline is the date one hundred twenty (120) days after the date of this Agreement.

#### **ARTICLE VI — REPRESENTATIVE; ADDRESSES**

- 6.01. The Borrower's Representative is the President of its Management Board (*Directoire*).
- 6.02. The Borrower's Address is:

Moroccan Agency for Solar Energy  
Immeuble Extensior CMR; third floor  
Avenue Al Araar  
Hay Riad  
10014, Rabat  
Kingdom of Morocco

Facsimile:  
(212) 537 57 14 75

6.03. The Bank's Address is:

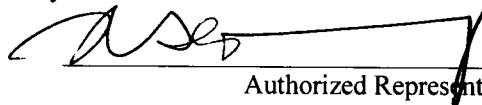
International Bank for Reconstruction and Development  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

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

AGREED at Rabat, Kingdom of Morocco, as of the day and year first above written.

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

By


  
Authorized Representative

Name: Simon Gray

Title: Country Director

MOROCCAN AGENCY FOR SOLAR  
ENERGY

By

  
Authorized Representative

Name: Mustapha Bakkoury

Title: Président du Directoire

## SCHEDULE 1

### Project Description

The objective of the Project is to increase: (a) installed capacity (megawatt); and (b) electricity output (megawatt-hour), especially during peak hours, of the Noor-Ouarzazate Solar Complex.

The Project consists of the following parts:

#### Part 1: Financing the Initial Investment

- A. Development of the Second Plant through the formation of a partnership between the Borrower and a competitively selected partner.
- B. Construction of the Second Plant Associated Facilities.
- C. Development of the Third Plant through the formation of a partnership between the Borrower and a competitively selected partner.
- D. Construction of the Third Plant Associated Facilities.

#### Part 2: Cost Mitigation Mechanism

- A. Supporting the acquisition of kilowatt-hours produced by the First Plant Project Implementing Entity to partially cover the difference in the price at which the Borrower would buy the electricity generated by the First Plant and the price at which the Borrower would sell such electricity to ONEE.
- B. Supporting the acquisition of kilowatt-hours produced by the Second Plant Project Implementing Entity to partially cover the difference in the price at which the Borrower would buy the electricity generated by the Second Plant and the price at which the Borrower would sell such electricity to ONEE.
- C. Supporting the acquisition of kilowatt-hours produced by the Third Plant Project Implementing Entity to partially cover the difference in the price at which the Borrower would buy the electricity generated by the Third Plant and the price at which the Borrower would sell such electricity to ONEE.

## SCHEDULE 2

### Project Execution

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements

1. The Borrower shall cause the Second Plant Project Implementing Entity, including as the case may be through exercising its voting powers in relation to the Second Plant Project Implementing Entity and all powers of control available in relation to its nominee to the Supervisory Board of the Second Plant Project Implementing Entity, to implement Part 1.A of the Project in accordance with the MASEN Financial Management and Disbursement Manual, the MASEN Governance Framework, the Second Plant Financial Management and Disbursement Manual, the Second Plant Governance Framework and all agreements referred to in Sections IV.B.1(b)(i)(H) and IV.B.1(b)(i)(I) of Schedule 2 to this Agreement. The Borrower shall not, and shall cause the Second Plant Project Implementing Entity not to amend, suspend, abrogate, repeal or waive: (i) any provision of the MASEN Financial Management and Disbursement Manual, the MASEN Governance Framework, the Second Plant Financial Management and Disbursement Manual, and the Second Plant Governance Framework without prior approval of the Bank; and (ii) any provision of any agreement referred to in Sections IV.B.1(b)(i)(H) and IV.B.1(b)(i)(I) of Schedule 2 to this Agreement, if such amendment, suspension, abrogation, repeal or waiver would affect materially and adversely the ability of the Borrower and/or the Second Plant Project Implementing Entity to perform any of its obligations under this Agreement, or to achieve the objectives of the Project. In addition, the Borrower shall not, and shall cause the Second Plant Project Implementing Entity not to assign their respective rights under any of the agreements referred to in Sections IV.B.1(b)(i)(H) and IV.B.1(b)(i)(I) of Schedule 2 to this Agreement without prior approval of the Bank.
2. The Borrower shall cause the Third Plant Project Implementing Entity, including as the case may be through exercising its voting powers in relation to the Third Plant Project Implementing Entity and all powers of control available in relation to its nominee to the Supervisory Board of the Third Plant Project Implementing Entity, to implement Part 1.C of the Project in accordance with the MASEN Financial Management and Disbursement Manual, the MASEN Governance Framework, the Third Plant Financial Management and Disbursement Manual, the Third Plant Governance Framework and all agreements referred to in Sections IV.B.1(c)(i)(H) and IV.B.1(c)(i)(I) of Schedule 2 to this Agreement. The Borrower shall not, and shall cause the Third Plant Project Implementing Entity not to amend, suspend, abrogate, repeal or waive: (i) any provision of the MASEN Financial Management and Disbursement Manual, the MASEN



Governance Framework, the Third Plant Financial Management and Disbursement Manual, and the Third Plant Governance Framework without prior approval of the Bank; and (ii) any provision of any agreement referred to in Sections IV.B.1(c)(i)(H) and IV.B.1(c)(i)(I) of Schedule 2 to this Agreement, if such amendment, suspension, abrogation, repeal or waiver would affect materially and adversely the ability of the Borrower and/or the Third Plant Project Implementing Entity to perform any of its obligations under this Agreement, or to achieve the objectives of the Project. In addition, the Borrower shall not, and shall cause the Third Plant Project Implementing Entity not to assign their respective rights under any of the agreements referred to in Sections IV.B.1(c)(i)(H) and IV.B.1(c)(i)(I) of Schedule 2 to this Agreement without prior approval of the Bank.

3. The Borrower shall: (i) maintain the Project Management Unit at all times during the implementation of the Project with qualified staff and adequate resources; and (ii) cause the Second Plant Project Implementing Entity and the Third Plant Project Implementing Entity to be maintained at all times during the implementation of the Project with qualified staff and adequate resources.
4. The Borrower shall inform the Bank, and shall cause the Second Plant Project Implementing Entity to inform the Borrower of: (i) any failure by any party to any of the Conventions and any of the agreements referred to in Sections IV.B.1(b)(i)(E), IV.3.1(b)(i)(H) and IV.B.1(b)(i)(I) of Schedule 2 to this Agreement, to perform any of its obligations under any of such Conventions and agreements, when such default may affect materially and adversely the ability of the Borrower and/or the Second Plant Project Implementing Entity to perform any of their obligations under this Agreement, or to achieve the objectives of the Project, or (ii) any failure or violation by any such party, to the best of the Borrower's knowledge, of any law, regulation, decree, or order that could reasonably be expected to materially adversely affect the violating party's ability to perform its obligations under any of the Conventions and any applicable agreement referred to in Sections IV.B.1(b)(i)(E), IV.B.1(b)(i)(H) and IV.B.1(b)(i)(I) of Schedule 2 to this Agreement. The Borrower shall inform the Bank, and shall cause the Second Plant Project Implementing Entity to inform the Borrower, of any dispute involving any party to any of the Conventions and any of the agreements referred to in Sections IV.B.1(b)(i)(E), IV.B.1(b)(i)(H) and IV.B.1(b)(i)(I) of Schedule 2 to this Agreement and regarding any such Conventions and agreements, when such dispute may affect materially and adversely the ability of the Borrower and/or the Second Plant Project Implementing Entity to perform any of their obligations under this Agreement, or to achieve the objectives of the Project.
5. The Borrower shall inform the Bank, and shall cause the Third Plant Project Implementing Entity to inform the Borrower of: (i) any failure by any party to any of the Conventions and any of the agreements referred to in Sections

IV.B.1(c)(i)(E), IV.B.1(c)(i)(H) and IV.B.1(c)(i)(I) of Schedule 2 to this Agreement, to perform any of its obligations under any of such Conventions and agreements, when such default may affect materially and adversely the ability of the Borrower and/or the Third Plant Project Implementing Entity to perform any of their obligations under this Agreement, or to achieve the objectives of the Project; or (ii) any failure or violation by any such party, to the best of the Borrower's knowledge, of any law, regulation, decree, or order that could reasonably be expected to materially adversely affect the violating party's ability to perform its obligations under any of the Conventions and any applicable agreement referred to in Sections IV.B.1(c)(i)(E), IV.B.1(c)(i)(H) and IV.B.1(c)(i)(I) of Schedule 2 to this Agreement. The Borrower shall inform the Bank, and shall cause the Third Plant Project Implementing Entity to inform the Borrower, of any dispute involving any party to any of the Conventions and any of the agreements referred to in Sections IV.B.1(c)(i)(E), IV.B.1(c)(i)(H) and IV.B.1(c)(i)(I) of Schedule 2 to this Agreement and regarding any such Conventions and agreements, when such dispute may affect materially and adversely the ability of the Borrower and/or the Third Plant Project Implementing Entity to perform any of their obligations under this Agreement, or to achieve the objectives of the Project

6. Not later than nine months after the Effective Date, the Borrower shall contract an independent verification expert satisfactory to the Bank, under terms of reference satisfactory to the Bank, to carry out technical audits and prepare the technical audit reports regarding the implementation of Part 1.A and Part 1.C of the Project, and of the Second Plant EPC Contract and the Third Plant EPC Contract referred to in Section II.B.3 of this Schedule 2 to this Agreement.

**B. Subsidiary Loan Agreements**

1. To facilitate the carrying out of Part 1.A of the Project by the Second Plant Project Implementing Entity, the Borrower shall make the proceeds of the Loan allocated from time to time to Category 1 of the table set forth in Section IV.A.2 of this Schedule and the proceeds of the AfDB Second Plant Co-financing I, the AfDB Second Plant Co-financing II, the EIB Second Plant Co-financing, and the KfW Second Plant Co-financing available to the Second Plant Project Implementing Entity as a loan or loans under one or more subsidiary loan agreements between the Borrower and the Second Plant Project Implementing Entity, under terms and conditions approved by the Bank ("Second Plant Subsidiary Loan Agreements"), including the commitments of the Second Plant Project Implementing Entity set forth or referred to in this Agreement and the right of the Borrower to suspend disbursements under such Second Plant Subsidiary Loan Agreements in case of non-compliance by the Second Plant Project Implementing Entity.

2. The Borrower shall exercise its rights and shall cause the Second Plant Project Implementing Entity to exercise its rights under the Second Plant Subsidiary Loan Agreements in such manner as to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree, the Borrower shall: (i) not assign, abrogate or waive any of the Second Plant Subsidiary Loan Agreements or any of their respective provisions; and (ii) cause the Second Plant Project Implementing Entity not to assign, abrogate or waive any of the Second Plant Subsidiary Loan Agreements or any of their respective provisions. The Borrower shall not amend, and shall cause the Second Plant Project Implementing Entity not to amend any of the Second Plant Subsidiary Loan Agreements or any of their respective provisions without the prior approval of the Bank. Such prior approval shall be deemed to have been granted by the Bank in the absence of response from the Bank within fifteen (15) days from the date on which a request for prior approval shall have been communicated by the Borrower to the Bank.
3. To facilitate the carrying out of Part 1.C of the Project by the Third Plant Project Implementing Entity the Borrower shall make the proceeds of the Loan allocated from time to time to Category 2 of the table set forth in Section IV.A.2 of this Schedule and the proceeds of the AFD Co-financing, the AfDB Third Plant Co-financing I, the AfDB Third Plant Co-financing II, the EIB Third Plant Co-financing, and the KfW Third Plant Co-financing available to the Third Plant Project Implementing Entity as a loan or loans under one or more subsidiary loan agreements between the Borrower and the Third Plant Project Implementing Entity, under terms and conditions approved by the Bank (“Third Plant Subsidiary Loan Agreements”), including the commitments of the Third Plant Project Implementing Entity set forth or referred to in this Agreement and the right of the Borrower to suspend disbursements under such Third Plant Subsidiary Loan Agreements in case of non-compliance by the Third Plant Project Implementing Entity.
4. The Borrower shall exercise its rights and shall cause the Third Plant Project Implementing Entity to exercise its rights under the Third Plant Subsidiary Loan Agreements in such manner as to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree, the Borrower shall: (i) not assign, abrogate or waive any of the Third Plant Subsidiary Loan Agreements or any of their respective provisions; and (ii) cause the Third Plant Project Implementing Entity not to assign, abrogate or waive any of the Third Plant Subsidiary Loan Agreements or any of their respective provisions. The Borrower shall not amend, and shall cause the Third Plant Project Implementing Entity not to amend any of the Third Plant Subsidiary Loan Agreements or any of their respective provisions without the prior approval of the Bank. Such prior approval shall be deemed to have been granted by the Bank in the absence of response from the Bank within fifteen (15) days from the date on which a request for prior approval shall have been communicated by the Borrower to the Bank.

**C. Anti-Corruption**

The Borrower shall (i) ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines; and (ii) cause the Second Plant Project Implementing Entity and the Third Plant Project Implementing Entity to ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

**D. Safeguards**

1. The Borrower shall: (i) maintain within the Project Management Unit, an environmental and social safeguards unit, including an environmental and social safeguard coordinator with terms of reference and qualifications, budget and material support adequate to supervise the implementation of, and compliance with the FESIA; and (ii) cause each of the Second Plant Project Implementing Entity and the Third Plant Project Implementing Entity to establish and maintain an environmental and social unit adequate to supervise the preparation of the relevant SESIAs, further implement the relevant SESMP and report to the Borrower on implementation of all mitigation measures, including health and safety.
2. The Borrower shall cause each of the Second Plant Project Implementing Entity and the Third Plant Project Implementing Entity: (i) not to authorize any commencement of civil works to build the Second Plant or Third Plant, as applicable, before the relevant SESIA is prepared, adopted and disclosed in accordance with the FESIA; (ii) to disclose all relevant safeguard-related documentation regarding Part 1 of the Project, including the SESIAs; (iii) to construct and operate the Second Plant and the Third Plant at all times in compliance with the relevant SESIAs and the Plant-site LAPs; and (iv) not to amend, suspend, abrogate, repeal or waive any provision of the SESIAs, the Plant-site LAPs or any Associated Facility ESIA, if applicable, without prior consultation with, and approval of the Bank.
3. The Borrower shall: (i) disclose all relevant safeguard-related documentation regarding Part 1 of the Project, including the Common Infrastructure ESIA, the SESIAs, the SESMPs, and any mitigation measures and/or environmental management plans, as appropriate, for any of the Second Plant Associated Facilities and Third Plant Associated Facilities; (ii) construct and operate the Second Plant and the Third Plant at all times in compliance with the relevant Common Infrastructure ESIA and the Plant-site LAPs; and (iii) not amend, suspend, abrogate, repeal or waive any provision of the Common Infrastructure ESIA or the Plant-site LAPs without prior consultation with, and approval of the Bank.

4. The Borrower shall: (i) cause Associated Facilities ESIA's including environmental management plans for any Second Plant Associated Facilities and any Third Plant Associated Facilities to be developed in a manner consistent with the provisions of the FESIA; (ii) provide the Bank with the relevant draft Associated Facilities ESIA for its comments and feedback on such documents; and (iii) inform the Bank about the status of the preparation and adoption of the final Associated Facilities ESIA, including any mitigation measures and/or environmental management plan as appropriate, for any of such Second Plant Associated Facilities or the Third Plant Associated Facilities.
5. The Borrower shall ensure that due diligence is carried out to assess any need for land acquisition and/or involuntary resettlement for a particular activity prior to commencing civil works for such activity. In case land acquisition and/or involuntary resettlement would be required for any Second Plant Associated Facilities or the Third Plant Associated Facilities or for any activity related to the Second Plant or the Third Plant, the Borrower shall:
  - (a) ensure that LAPs be prepared either: (i) in case of involuntary resettlement, in compliance with the requirements and procedures set forth in the RPF; or (ii) in case of voluntary land acquisition, including supporting documentary evidence proving the voluntary nature of the transaction
  - (b) provide the Bank with copies of such LAPs for its review and concurrence before the commencement of any related civil works;
  - (c) ensure that prior to commencing civil works for the relevant Second Plant Associated Facility, Third Plant Associated Facility, or any relevant activity related to the Second Plant or to the Third Plant, all resettlement measures set forth in the relevant LAP in relation to the specific civil work shall have been fully executed, including the full payment of compensation; and
  - (d) in case of involuntary land acquisition, ensure that such LAPs are adopted and disclosed by the relevant parties.
6. The Borrower shall ensure that: (i) the Second Plant Associated Facilities and the Third Plant Associated Facilities shall be constructed, operated and implemented in accordance with the RPF, the Associated Facility ESIA's (including any mitigation measures and/or environmental management plans), and the Associated Facility LAPs, as applicable; and (ii) no provision of the RPF, the Associated Facility ESIA's (including any mitigation measures and/or environmental management plans), and the Associated Facility LAPs, shall be amended, suspended, abrogated, repealed or waived without prior consultation with, and approval of the Bank.

7. The Borrower shall (i) cause each of the Second Plant Project Implementing Entity and the Third Plant Project Implementing Entity to prepare and submit to the Borrower an environmental and social management report on a bi-annual basis during the construction of the Second Plant and the Third Plant, and on an annual basis during operation of the Second Plant and the Third Plant; and (ii) include a summary of such reports in the Project Reports referred to in Section II.A of this Schedule 2.
8. Not later than six (6) months after the Effective Date, the Borrower shall prepare a progress report on the implementation of the SDP and provide such report to the Bank for its comments and recommendations.

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

### **A. Project Reports**

The Borrower shall cause the Second Plant Project Implementing Entity and the Third Plant Project Implementing Entity to monitor and evaluate the progress of Part 1.A of the Project and Part 1.C of the Project, respectively, shall monitor and evaluate the progress of Part 2 of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of indicators acceptable to the Bank. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Bank not later than forty-five (45) after the end of the period covered by such report.

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

1. The Borrower shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.
2. The Borrower shall prepare and furnish to the Bank not later than forty-five (45) days after the end of each calendar semester, interim unaudited financial reports for the Project covering the semester, in form and substance satisfactory to the Bank.
3. With respect to each withdrawal application under Category (1), the Borrower shall prepare and furnish to the Bank an interim unaudited financial report for the Project covering the time period agreed with the Bank, in a form and substance agreed by the Borrower and the Bank. Each such interim unaudited financial report shall include the technical audit report, in form and substance satisfactory to the Bank, to be prepared by the independent verification expert referred to in Section I.A.6 of this Schedule 2 to this Agreement. Each such technical audit report shall be focused in particular on: (i) the achievement of the milestones set

forth in the Second Plant EPC Contract; and (ii) compliance with pricing provisions set forth in the Second Plant EPC Contract.

4. With respect to each withdrawal application under Category (2), the Borrower shall prepare and furnish to the Bank an interim unaudited financial report for the Project covering the time period agreed with the Bank, in a form and substance agreed by the Borrower and the Bank. Each such interim unaudited financial report shall include the technical audit report, in form and substance satisfactory to the Bank, to be prepared by the independent verification expert referred to in Section I.A.6 of this Schedule 2 to this Agreement. Each such technical audit report shall be focused in particular on: (i) the achievement of the milestones set forth in the Third Plant EPC Contract; and (ii) compliance with pricing provisions set forth in the Third Plant EPC Contract.
5. With respect to each withdrawal application under Categories (3), (4) and (5), the Borrower shall prepare and furnish to the Bank an interim unaudited financial report for the Project covering the time period agreed with the Bank, in a form and substance agreed by the Borrower and the Bank. Each such interim unaudited financial report shall include a report, in form and substance satisfactory to the Bank, prepared by an independent verification expert, satisfactory to the Bank, under terms of reference satisfactory to the Bank, certifying that the amount of the relevant Solar Incremental Cost is correct as per the provisions of the First Plant Power Purchase Agreement, the Second Plant Power Purchase Agreement or the Third Plant Power Purchase Agreement, as the case may be, the First Plant Power Sale Agreement, the Second Plant Power Sale Agreement or the Third Plant Power Sale Agreement, as the case may be, the Conventions and any other relevant document.
6. The Borrower shall have its Financial Statements audited in accordance with the provisions of Section 5.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Borrower. The audited Financial Statements for each such period shall be furnished to the Bank not later than six months after the end of such period.
7. The Borrower shall cause the Second Plant Project Implementing Entity and the Third Plant Project Implementing Entity to maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect the operations and financial condition of the Second Plant Project Implementing Entity and the Third Plant Project Implementing Entity, including the operations, resources and expenditures related to the Project.
8. The Borrower shall cause the Second Plant Project Implementing Entity and the Third Plant Project Implementing Entity to have their financial statements referred to in paragraph 7 above audited by independent auditors acceptable to

the Bank, in accordance with consistently applied auditing standards acceptable to the Bank. Each audit of these financial statements shall cover the period of one fiscal year of the Second Plant Project Implementing Entity and the Third Plant Project Implementing Entity. The Borrower shall cause the Second Plant Project Implementing Entity and the Third Plant Project Implementing Entity to ensure that the audited financial statements for each period shall be: (a) furnished to the Borrower for transmission to the Bank not later than six (6) months after the end of the period; and (b) made publicly available in a timely fashion and in a manner acceptable to the Bank.

### **Section III. Procurement**

#### **A. General**

1. **Goods, Works and Non-consulting services.** All goods, works and non-consulting services required for Part 1.A and Part 1.C of the Project and to be financed out of the proceeds of the Loan 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. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Bank of particular contracts, refer to the corresponding method described in the Procurement Guidelines.

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

**Procurement under Public Private Partnership Arrangements:** the entrepreneurs responsible for the development of the Second Plant and the Third Plant shall be selected through open competitive bidding procedures determined acceptable by the Bank in accordance with paragraph 3.14 (a) of the Procurement Guidelines.

#### **C. Review by the Bank of Procurement Decisions**

The contract for the selection of the entrepreneurs responsible for the development of the Second Plant and the Third Plant referred in Section III.B above shall be subject to the Bank's Prior Review.



**Section IV. Withdrawal of Loan Proceeds**

**A. General**

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Bank shall specify by notice to the Borrower (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Bank 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 Loan (“Category”), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.

<b>Category</b>	<b>Amount of the Loan Allocated (expressed in EUR)</b>	<b>Amount of the Loan Allocated (expressed in USD)</b>	<b>Percentage of Expenditures to be financed (inclusive of Taxes)</b>
(1) Goods, works and non-consulting services for Part 1.A of the Project	40,339,000	13,766,000	3.2% up to June 30, 2015, and 7.5% afterwards
(2) Goods, works and non-consulting services for Part 1.C of the Project	18,267,000	6,234,000	1.9% up to June 30, 2015, and 4.5% afterwards
(3) Purchase of electricity for Part 2.A of the Project	54,993,000	18,767,000	100% of the Solar Incremental Cost
(4) Purchase of electricity for Part 2.B of the Project	71,276,000	24,324,000	100% of the Solar Incremental Cost

(5) Purchase of electricity for Part 2.C of the Project	25,597,000	8,709,000	100% of the Solar Incremental Cost
(6) Front-end Fee	586,000	200,000	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
(7) Unallocated	23,442,000	8,000,000	
<b>TOTAL AMOUNT</b>	<b>234,500,000</b>	<b>80,000,000</b>	

- (a) For the purposes of Category (3), the Solar Incremental Cost shall be calculated as follows:

$$\text{Solar Incremental Cost} = (A - B) - C$$

“A” shall be equal to the amount paid for a specific quantity of electricity bought by the Borrower from the First Plant Project Implementing Entity pursuant to the provisions of the First Plant Power Purchase Agreement;

“B” shall be equal to the amount received by the Borrower from ONEE for the same quantity of electricity pursuant to the provisions of the First Plant Power Sale Agreement; and

“C” shall be equal to the amount of the contribution, if any, received by the Borrower from the Kingdom of Morocco pursuant to the provisions of the First Plant Specific Convention to compensate for the price difference between “A” and “B”.

- (b) For the purposes of Category (4), the Solar Incremental Cost shall be calculated as follows:

$$\text{Solar Incremental Cost} = (A - B) - C$$

“A” shall be equal to the amount paid for a specific quantity of electricity bought by the Borrower from the Second Plant Project Implementing Entity pursuant to the provisions of the Second Plant Power Purchase Agreement;

“B” shall be equal to the amount received by the Borrower from ONEE for the same quantity of electricity pursuant to the provisions of the Second Plant Power Sale Agreement; and

“C” shall be equal to the amount of the contribution, if any, received by the Borrower from the Kingdom of Morocco pursuant to the provisions of the Second Plant Specific Convention to compensate for the price difference between “A” and “B”.

- (c) For the purposes of Category (5), the Solar Incremental Cost shall be calculated as follows:

$$\text{Solar Incremental Cost} = (A - B) - C$$

“A” shall be equal to the amount paid for a specific quantity of electricity bought by the Borrower from the Third Plant Project Implementing Entity pursuant to the provisions of the Third Plant Power Purchase Agreement;

“B” shall be equal to the amount received by the Borrower from ONEE for the same quantity of electricity pursuant to the provisions of the Third Plant Power Sale Agreement; and

“C” shall be equal to the amount of the contribution, if any, received by the Borrower from the Kingdom of Morocco pursuant to the provisions of the Third Plant Specific Convention to compensate for the price difference between “A” and “B”.

**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, except that withdrawal up to an aggregate amount not to exceed €46,900,000 and \$16,000,000 may be made for payments made prior to this date but on or after January 15, 2015, for Eligible Expenditures under Categories (1) and (2); or
  - (b) under Category (1), until:
    - (i) evidence satisfactory to the Bank has been furnished to the Bank that the following conditions have been satisfied:
      - (A) The Second Plant Project Implementing Entity has been legally established in a manner satisfactory to the Bank.

- (B) The Second Plant Project Implementing Entity has established an accounting and financial management system satisfactory to the Bank.
- (C) The Second Plant Project Implementing Entity has adopted the Second Plant Financial Management and Disbursement Manual, satisfactory to the Bank and the Co-financiers.
- (D) The Second Plant Project Implementing Entity has adopted the Second Plant Governance Framework, satisfactory to the Bank.
- (E) The Second Plant Subsidiary Loan Agreements have been executed on behalf of the Borrower and the Second Plant Project Implementing Entity and all conditions precedent to their effectiveness and to the right of the Second Plant Project Implementing Entity to make withdrawals under them (other than the effectiveness of this Agreement) have been satisfied or waived.
- (F) All conditions precedent to the right of the Borrower to make withdrawals under Category (1) in the table in Section IV of Schedule 2 to the CTF Loan Agreement have been satisfied or waived.
- (G) The Borrower and the Kingdom of Morocco have entered into the Second Plant Specific Convention.
- (H) Execution and satisfaction or waiver of all conditions precedent to the effectiveness and, to the extent applicable, to the right of the Borrower to make withdrawals under them (other than the effectiveness of this Agreement), of all the following agreements:
  - 1. the AfDB Second Plant Co-financing Agreements;
  - 2. the EC Second Plant Co-financing Agreement;
  - 3. the EIB Second Plant Co-financing Agreement; and
  - 4. the KfW Second Plant Co-financing Agreement.

- (I) Execution and satisfaction or waiver of all conditions precedent to the effectiveness and, to the extent applicable, to the right of the Borrower or of the Second Plant Project Implementing Entity to make withdrawals under them (other than the effectiveness of this Agreement), of all other agreements, to be found satisfactory by the Bank in form and substance within reasonable time, required to finance, construct, own, and operate the Second Plant, including, but not limited to:
    - 1. the Second Plant EPC Contract;
    - 2. the Second Plant Operation and Maintenance Agreement;
    - 3. the Second Plant Power Purchase Agreement;
    - 4. the Second Plant Power Sale Agreement; and
    - 5. the Second Plant Shareholders' Agreement.
  
  - (ii) The Bank has been furnished with opinions satisfactory to the Bank of counsels acceptable to the Bank, showing that the Second Plant Subsidiary Loan Agreements have been duly authorized or ratified by the Borrower and the Second Plant Project Implementing Entity, and are legally binding upon the Borrower and the Second Plant Project Implementing Entity in accordance with their terms.
  
  - (iii) The Bank has been furnished with opinions satisfactory to the Bank of counsels acceptable to the Bank, showing that each of the agreements referred to in paragraph (b)(i)(I) above has been duly authorized or ratified by each of the parties thereto, and is legally binding upon each of the parties thereto in accordance with its terms.
  
  - (iv) The Borrower shall have provided to the Bank, with respect to each withdrawal application, the relevant interim unaudited financial report for the Project, including the report referred to in Section II.B.3 of this Schedule 2 to this Agreement, in form and substance satisfactory to the Bank.
- (c) under Category (2), until:

- (i) Evidence satisfactory to the Bank has been furnished to the Bank that the following conditions have been satisfied;
- (A) The Third Plant Project Implementing Entity has been legally established in a manner satisfactory to the Bank.
  - (B) The Third Plant Project Implementing Entity has established an accounting and financial management system satisfactory to the Bank.
  - (C) The Third Plant Project Implementing Entity has adopted the Third Plant Financial Management and Disbursement Manual, satisfactory to the Bank and the Co-financiers.
  - (D) The Third Plant Project Implementing Entity has adopted the Third Plant Governance Framework, satisfactory to the Bank.
  - (E) The Third Plant Subsidiary Loan Agreements have been executed on behalf of the Borrower and the Third Plant Project Implementing Entity and all conditions precedent to their effectiveness and to the right of the Third Plant Project Implementing Entity to make withdrawals under them (other than the effectiveness of this Agreement) have been satisfied or waived.
  - (F) All conditions precedent to the right of the Borrower to make withdrawals under Category (2) in the table in Section IV of Schedule 2 to the CTF Loan Agreement have been satisfied or waived.
  - (G) The Borrower and the Kingdom of Morocco have entered into the Third Plant Specific Convention.
  - (H) Execution and satisfaction or waiver of all conditions precedent to the effectiveness and, to the extent applicable, to the right of the Borrower to make withdrawals under them (other than the effectiveness of this Agreement), of all the following agreements:
    - 1. the AFD Co-financing Agreement;
    - 2. the AfDB Third Plant Co-financing Agreements;

3. the EC Third Plant Co-financing Agreement;
  4. the EIB Third Plant Co-financing Agreement;  
and
  5. the KfW Third Plant Co-financing Agreement.
- (I) Execution and satisfaction or waiver of all conditions precedent to the effectiveness and, to the extent applicable, to the right of the Borrower or of the Third Plant Project Implementing Entity to make withdrawals under them (other than the effectiveness of this Agreement), of all other agreements, to be found satisfactory by the Bank in form and substance within reasonable time, required to finance, construct, own, and operate the Third Plant, including, but not limited to:
1. the Third Plant EPC Contract;
  2. the Third Plant Operation and Maintenance Agreement;
  3. the Third Plant Power Purchase Agreement;
  4. the Third Plant Power Sale Agreement; and
  5. the Third Plant Shareholders' Agreement.
- (ii) The Bank has been furnished with opinions satisfactory to the Bank of counsels acceptable to the Bank, showing that the Third Plant Subsidiary Loan Agreements have been duly authorized or ratified by the Borrower and the Third Plant Project Implementing Entity, and are legally binding upon the Borrower and the Third Plant Project Implementing Entity in accordance with their terms.
- (iii) The Bank has been furnished with opinions satisfactory to the Bank of counsels acceptable to the Bank, showing that each of the agreements referred to in paragraph (c)(i)(I) above has been duly authorized or ratified by each of the parties thereto, and is legally binding upon each of the parties thereto in accordance with its terms.
- (iv) The Borrower shall have provided to the Bank, with respect to each withdrawal application, the relevant interim unaudited

financial report for the Project, including the report referred to in Section II.B.4 of this Schedule 2 to this Agreement, in form and substance satisfactory to the Bank.

- (d) under Category (3), until the Borrower shall have provided to the Bank:
  - (i) evidence satisfactory to the Bank that the First Plant is fully commissioned and operational; and
  - (ii) with respect to each withdrawal application the relevant interim unaudited financial report for the Project, including the report from the independent verification expert referred to in Section II.B.5 of this Schedule 2 to this Agreement.
- (e) under Category (4), until the Borrower shall have provided to the Bank:
  - (i) evidence satisfactory to the Bank that the Second Plant is fully commissioned and operational; and
  - (ii) with respect to each withdrawal application the relevant interim unaudited financial report for the Project, including the report from the independent verification expert referred to in Section II.B.5 of this Schedule 2 to this Agreement.
- (f) under Category (5), until the Borrower shall have provided to the Bank:
  - (i) evidence satisfactory to the Bank that the Third Plant is fully commissioned and operational; and
  - (ii) with respect to each withdrawal application the relevant interim unaudited financial report for the Project, including the report from the independent verification expert referred to in Section II.B.5 of this Schedule 2 to this Agreement.

2. The Closing Date is June 30, 2020.

**Section V. Other Undertakings**

- A. Except as otherwise agreed by the Bank, the Borrower's Equity shall remain positive on a yearly basis commencing with the Borrower's fiscal year 2015, as evidenced by the Borrower's yearly audited financial statements.
- B. Not later than the end of each fiscal year commencing with the Borrower's fiscal year 2015, the Borrower shall furnish to the Bank a copy of the business plan and financial projections (which shall include projected consolidated balance sheet, income statement and cash flow statement), of the Borrower and its subsidiaries for each upcoming fiscal year, as adopted by the Management Board (*Directoire*) of the Borrower and prepared in accordance with consistently applied accounting standards acceptable to the Bank, in a form and substance agreed by the Borrower and the Bank.



### SCHEDULE 3

#### Amortization Schedule

1. Subject to the provisions of paragraph 2 of this Schedule, the Borrower shall repay each Disbursed Amount in semiannual installments payable on each January 1 and July 1, the first installment to be payable on the twentieth (20th) Interest Payment Date following the Maturity Fixing Date for the Disbursed Amount and the last installment to be payable on the thirty-sixth (36th) Interest Payment Date following the Maturity Fixing Date for the Disbursed Amount. Each installment except for the last one shall be equal to one-seventeenth (1/17) of the Disbursed Amount. The last installment shall be equal to the remaining outstanding amount of the Disbursed Amount.
2. If any one or more installments of principal of the Disbursed Amount would, pursuant to the provisions of paragraph 1 of this Schedule, be payable after January 1, 2037, the Borrower shall also pay on such date the aggregate amount of all such installments.
3. The Bank shall notify the Loan Parties of the amortization schedule for each Disbursed Amount promptly after the Maturity Fixing Date for the Disbursed Amount.
4. Notwithstanding the provisions of paragraphs 1 through 3 of this Schedule, in the event of a Currency Conversion of all or any portion of a Disbursed Amount to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (i) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.
5. If the Withdrawn Loan Balance is denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency.

## APPENDIX

### Definitions

1. “AFD Co-financier” means *Agence Française de Développement*, the French Development Agency, referred to in the Appendix to the Standard Conditions.
2. “AFD Co-financing” means an amount of EUR 50 million to be provided to the Borrower by the AFD Co-financier to assist in financing Part 1.C of the Project.
3. “AFD Co-financing Agreement” means the agreement to be entered into between the Borrower and the AFD Co-financier providing for the AFD Co-financing.
4. “AfDB Co-financier” means African Development Bank, referred to in the Appendix to the Standard Conditions.
5. “AfDB Second Plant Co-financing Agreements” means the two agreements to be entered into between the Borrower and the AfDB Co-financier providing for the AfDB Second Plant Co-financing I and the AfDB Second Plant Co-financing II, respectively.
6. “AfDB Second Plant Co-financing I” means an amount of EUR 72 million to be provided to the Borrower by the AfDB Co-financier to assist in financing Part 1.A of the Project.
7. “AfDB Second Plant Co-financing II” means an amount of EUR 50 million to be provided to the Borrower by the AfDB Co-financier acting as an implementing entity of the Clean Technology Fund to assist in financing Part 1.A of the Project.
8. “AfDB Third Plant Co-financing Agreements” means the two agreements to be entered into between the Borrower and the AfDB Co-financier providing for the AfDB Third Plant Co-financing I and the AfDB Third Plant Co-financing II, respectively.
9. “AfDB Third Plant Co-financing I” means an amount of EUR 28 million to be provided to the Borrower by the AfDB Co-financier to assist in financing Part 1.C of the Project.
10. “AfDB Third Plant Co-financing II” means an amount of EUR 37.5 million to be provided to the Borrower by the AfDB Co-financier acting as an implementing entity of the Clean Technology Fund to assist in financing Part 1.C of the Project.
11. “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.

12. “Associated Facility Environmental and Social Assessments” or “Associated Facility ESIA’s” means collectively: (a) the environmental and social management plan dated March 19, 2014, describing all processes, rules, principles including monitoring and evaluation, public disclosure and consultation, including any mitigation measures and/or environmental management plans applicable to the Project’s water intake facility; and (b) the Ouarzazate-Tazzart Transmission Line EIA; such Associated Facility ESIA’s to be further disclosed and maintained publicly available on the Borrower’s website through the implementation of the Project, and as the Associated Facility ESIA’s may be amended from time to time after consultation with, and with the prior approval of the Bank.
13. “Associated Facility Land Acquisition Plans” or “Associated Facility LAPs” means collectively: (a) the Land Acquisition Plan for the water intake facility adopted and disclosed by the Borrower on March 19, 2014; and (b) any other LAPs, satisfactory to the Bank, to be prepared, adopted and disclosed in the Kingdom of Morocco in accordance with Section I.D.5 of Schedule 2 to this Agreement and further implemented by the relevant party in order to acquire the land needed for the purpose of Parts 1.B or 1.D of the Project, that are either: (i) in the case of involuntary land acquisition, in compliance with the terms of the Resettlement Policy Framework; or (ii) in the case of voluntary land acquisition, providing evidence of the voluntary nature of the transaction, including, among other items: (A) the description of the land to be acquired and actually acquired, including a map; (B) the applicable legal framework for land acquisition for the purpose of Parts 1.B or 1.D of the Project; (C) the process followed for the land acquisition including consultation of affected communities, local, provincial and national authorities, and formal agreement of relevant parties on land acquisition; (D) payment of compensation; (E) the grievance mechanisms available to affected communities; and (F) the monitoring of mitigation measures, evaluation and disclosure processes.
14. “Basic Legislation” means the Law No. 57-09 of the Kingdom of Morocco as promulgated pursuant to the Law (“Dahir”) No. 1.10-18 of the Kingdom of Morocco, dated February 11, 2010, pursuant to which the Borrower has been established and is operating as a commercial company (*société anonyme*).
15. “Category” means a category set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement
16. “Co-financiers” means the AFD Co-financier, AfDB Co-financier, EC Co-financier, EIB Co-financier and KfW Co-financier.
17. “Common Infrastructure ESIA’s” means collectively: (i) the environmental and social assessment for the common infrastructure, including the water storage, (ICESIA) adopted and disclosed by the Borrower on February 11, 2013; and (ii)

any other environmental and social assessment to be carried out by the Borrower for any common infrastructure for Parts 1.A or 1.C of the Project.

18. “Conventions” means the General Convention, the Second Plant Specific Convention, the Third Plant Specific Convention and the Tripartite Convention.
19. “CTF Loan Agreement” means the agreement between the Borrower and the World Bank acting as an implementing entity of the Clean Technology Fund, for Part 1.A and Part 1.C of the Project, of the same date as this Agreement, as such agreement may be amended from time to time. “CTF Loan Agreement” includes all appendices, schedules and agreements supplemental to the CTF Loan Agreement.
20. “Displaced Person” means a person who, on account of the execution of the Project, has experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such person must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person.
21. “EC Co-financier” means the European Commission, referred to in the Appendix to the Standard Conditions.
22. “EC Second Plant Co-financing” means an amount of EUR 40 million to be provided to the Borrower as a grant by the EC Co-financier under its Neighborhood Investment Facility to assist in financing Part 1.A of the Project, including through the financing of the Borrower’s share of the Second Plant Project Implementing Entity’ equity interest.
23. “EC Second Plant Co-financing Agreement” means the agreement to be entered into between the Borrower and the EC Co-financier providing for the EC Second Plant Co-financing.
24. “EC Third Plant Co-financing” means an amount of EUR 50 million to be provided to the Borrower as a grant by the EC Co-financier under its Neighborhood Investment Facility to assist in financing Part 1.C of the Project, including through the financing of the Borrower’s share of the Third Plant Project Implementing Entity’ equity interest.
25. “EC Third Plant Co-financing Agreement” means the agreement to be entered into between the Borrower and the EC Co-financier providing for the EC Third Plant Co-financing.

26. "EIB Co-financier" means European Investment Bank, referred to in the Appendix to the Standard Conditions.
27. "EIB Second Plant Co-financing" means an amount of EUR 254 million to be provided to the Borrower by the EIB Co-financier to assist in financing Part 1.A of the Project.
28. "EIB Second Plant Co-financing Agreement" means the agreement to be entered into between the Borrower and the EIB Co-financier providing for the EIB Second Plant Co-financing.
29. "EIB Third Plant Co-financing" means an amount of EUR 96 million to be provided to the Borrower by the EIB Co-financier to assist in financing Part 1.C of the Project.
30. "EIB Third Plant Co-financing Agreement" means the agreement to be entered into between the Borrower and the EIB Co-financier providing for the EIB Third Plant Co-financing.
31. "Equity" means the sum of equity contributions (paid-up capital and premium paid in relation to issued shares, share contributions, and mergers), revaluation adjustments, reserves, net result carried forward (debtor and creditor), retained earnings (including the current year net result), investment subsidies and regulated provisions.
32. "First Plant" means the concentrated solar parabolic trough facility for the generation of electricity of a capacity up to 160 megawatt gross at a 2,500 hectare site located 10 kilometers northeast of the city of Ouarzazate in the Kingdom of Morocco, to be constructed under Part 1.A of the First Plant Project.
33. "First Plant Associated Facilities" means those facilities and infrastructures, including but not limited to those to be built and operated for the purposes of: (i) providing water for the operation of the First Plant; and (ii) transporting power to and from the First Plant through transmission lines.
34. "First Plant CTF Loan Agreement" means the Clean Technology Fund Loan Agreement for the Ouarzazate I Concentrated Solar Power Plant Project (CTF Loan Number TF010916) dated December 7, 2011, between the World Bank acting as an implementing entity of the Clean Technology Fund, and the Borrower.
35. "First Plant Power Purchase Agreement" means the agreement dated November 19, 2012, as amended, entered into between the Borrower and the First Plant Project Implementing Entity for the sale by the First Plant Project Implementing

Entity, and the purchase by the Borrower, of electricity generated from the First Plant in accordance with its terms and conditions.

36. "First Plant Power Sale Agreement" means the agreement dated November 19, 2012, as amended, entered into between the Borrower and ONEE for the sale by the Borrower, and the purchase by ONEE, of electricity and energy generated from the First Plant in accordance with its terms and conditions.
37. "First Plant Project" means the project described in Schedule 1 to the First Plant CTF Loan Agreement.
38. "First Plant Project Implementing Entity" means the company established under the laws of the Kingdom of Morocco by the Borrower and the competitively selected partner to develop the First Plant to be constructed under Part 1.A of the First Plant Project.
39. "First Plant Specific Convention" means the convention dated May 8, 2013, as amended, entered into between the Kingdom of Morocco and the borrower pursuant to Article 22 of the General Convention, setting forth in particular undertakings from the Kingdom of Morocco to ensure the economic and financial equilibrium of the First Plant Project.
40. "Framework Environmental and Social Impact Assessment" or "FESIA" mean the environmental and social impact assessment framework document prepared for the purpose of Part 1 of the Project, adopted by MASEN, further disclosed in the Kingdom of Morocco on June 25, 2014, and to be maintained publicly available through the implementation of the Project, such FESIA describing, among other items: (i) the legal, policy and regulatory framework applicable to the environmental and social management of Part 1 of the Project, including the environmental norms, rules and procedures applicable to the construction, operation and maintenance of the Second Plant and the Third Plant; (ii) the process to be followed by the Second Plant Project Implementing Entity and the Third Plant Project Implementing Entity to develop SESIAs or Associated Facilities ESIA's, if applicable, before commencing any civil works under Part 1 of the Project including the implementation of and compliance with the SESIAs and the Associated Facilities ESIA's; and (iii) the disclosure and consultation process to be implemented during the preparation of the SESIAs, and the construction and operation of the Second Plant and the Third Plant, and as the FESIAs may be amended from time to time after consultation with, and with the prior approval of the Bank.
41. "General Conditions" means the "International Bank for Reconstruction and Development General Conditions for Loans", dated March 12, 2012.

42. “General Convention” means the convention dated October 26, 2010, entered into between the Kingdom of Morocco and the Borrower pursuant to Article 1 of the Basic Legislation, and approved by the Kingdom of Morocco under Decree No. 2-11-528 dated September 8, 2011, regarding the conditions and modalities necessary for the implementation of the solar energy program of the Kingdom of Morocco.
43. “KfW Co-financier” means *Kreditanstalt für Wiederaufbau*, the German Development Agency, referred to in the Appendix to the Standard Conditions.
44. “KfW Second Plant Co-financing” means an amount of EUR 330 million to be provided to the Borrower by the KfW Co-financier to assist in financing Part 1.A of the Project.
45. “KfW Second Plant Co-financing Agreement” means the agreement to be entered into between the Borrower and the KfW Co-financier providing for the KfW Second Plant Co-financing.
46. “KfW Third Plant Co-financing” means an amount of EUR 324 million to be provided to the Borrower by the KfW Co-financier to assist in financing Part 1.C of the Project.
47. “KfW Third Plant Co-financing Agreement” means the agreements to be entered into between the Borrower and the KfW Co-financier providing for the KfW Third Plant Co-financing.
48. “Land Acquisition Plans” or “LAPs” means any Plant-Site LAPs or Associated Facility LAPs, as the case may be, satisfactory to the Bank, to be prepared, adopted and disclosed in the Kingdom of Morocco in accordance with Section 1.D.5 of Schedule 2 to this Agreement.
49. “MASEN Capital” means the subsidiary of the Borrower established under the laws of the Kingdom of Morocco by the Borrower, which will hold its share of the equity interest in the Second Plant Project Implementing Entity and in the Third Plant Project Implementing Entity.
50. “MASEN Financial Management and Disbursement Manual” means the manual describing the financial management, co-financing and disbursement arrangements for the Project, adopted by the Borrower on June 7, 2013, and referred to in Section 1.A.1 of Schedule 2 to this Agreement.
51. “MASEN Governance Framework” means the set of rules and practices, policies and procedures designed to facilitate accrued efficiency and prevent corrupt practices, adopted by the Borrower on June 7, 2013.

52. “Noor-Ouarzazate Solar Complex” means the First Plant, the Second Plant and the Third Plant, as well as the First Plant Associated Facilities, Second Plant Associated Facilities and Third Plant Associated Facilities.
53. “ONEE” means *Office National de l’Electricité et de l’Eau Potable*, the National Electricity and Water Agency of the Kingdom of Morocco.
54. “Ouarzazate-Tazzart Transmission Line” means the 225 kilovolt transmission line extending between the substations at Ouarzazate city and Tazzart to ensure transmission of the energy output of the Second Plant and the Third Plant to the wider Moroccan electricity grid.
55. “Ouarzazate-Tazzart Transmission Line EIA” means the environmental and social assessment dated June 26, 2014, describing all processes, rules, principles including monitoring and evaluation, public disclosure and consultation, including any mitigation measures and/or environmental management plans applicable to the Ouarzazate-Tazzart Transmission Line.
56. “Plant-site Land Acquisition Plans” or “Plant-site LAPs” means collectively: (a) the Land Acquisition Plan for the common infrastructure (ICESIA LAP) adopted and disclosed by the Borrower on February 11, 2013; (b) the plan prepared, adopted and disclosed on June 1, 2011, in the Kingdom of Morocco and further implemented by the Borrower in order to acquire the land needed for the purpose of Part 1.A and Part 1.C of the Project; (c) the Land Acquisition Plan prepared and adopted in May 2013 by the Borrower and further implemented by the Borrower in order to acquire the additional ha of land needed for the purpose of Part 1.A and Part 1.C of the Project; and (d) any other LAP to be carried out by the Second Plant Project Implementing Entity, the Third Plant Project Implementing Entity, or another party for Part 1.A or Part 1.C of the Project; all such Plant-site LAPs including, among other items: (i) the description of the land to be acquired and actually acquired by the Borrower, including a map; (ii) the applicable legal framework for land acquisition for the purpose of Part 1.A and Part 1.C of the Project; (iii) the process followed for the land acquisition including consultation of affected communities, local, provincial and national authorities, and formal agreement of relevant parties on land acquisition; (iv) payment of compensation; (v) the grievance mechanisms available to affected communities; and (vi) the monitoring of mitigation measures, evaluation and disclosure processes.
57. “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.



58. "Project Management Unit" means the Borrower's unit responsible for the management of the Project, referred to in Section I.A.2 in Schedule 2 to this Agreement.
59. "Resettlement Policy Framework" or "RPF" means the resettlement policy framework adopted by ONEE as part of the Ouarzazate-Tazzart Transmission Line EIA, containing guidelines, procedures, timetables and other specifications for the provision of compensation, rehabilitation and resettlement assistance to Displaced Persons, as amended from time to time with the prior written consent of the Bank.
60. "Second Plant" means the concentrated solar parabolic trough facility for the generation of electricity of a capacity up to 200 megawatt gross, at a 2,500 hectare site located 10 kilometers northeast of the city of Ouarzazate in the Kingdom of Morocco.
61. "Second Plant Associated Facilities" means those facilities and infrastructures referred to in Section 4.3.5 of the FESIA, including those to be built and operated for the purposes of: (i) providing water for the operation of the Second Plant; and (ii) transporting power to and from the Second Plant through transmission line.
62. "Second Plant Engineering, Procurement and Construction Contract" or "Second Plant EPC Contract" means the contract to be entered into by the Second Plant Project Implementing Entity and a third-party contractors for front-end engineering design, procurement of equipment and services, and construction of the Second Plant on a lump-sum, turnkey basis or such other basis as may be suitable for completion of the facility within the timeframe, technical parameters and other terms agreed between the Borrower and the Second Plant Project Implementing Entity in the Second Plant Power Purchase Agreement.
63. "Second Plant Financial Management and Disbursement Manual" means the manual describing the financial management, co-financing and disbursement arrangements for Part 1.A of the Project, and referred to in Section I.A.1 of Schedule 2 to this Agreement.
64. "Second Plant Governance Framework" means the set of rules and practices, policies and procedures designed to facilitate accrued efficiency and prevent corrupt practices, satisfactory to the Bank, to be prepared and adopted by the Second Plant Project Implementing Entity.
65. "Second Plant Operation and Maintenance Agreement" means the agreement to be entered into between the Second Plant Project Implementing Entity and a third party operator allocating to the operator the obligation to operate and maintain the Second Plant in accordance with its terms and conditions.

66. “Second Plant Power Purchase Agreement” means the agreement to be entered into between the Borrower and the Second Plant Project Implementing Entity for the sale by the Second Plant Project Implementing Entity, and the purchase by the Borrower, of electricity generated from the Second Plant in accordance with its terms and conditions.
67. “Second Plant Power Sale Agreement” means the agreement to be entered into between the Borrower and ONEE for the sale by the Borrower, and the purchase by ONEE, of electric capacity and energy generated from the Second Plant in accordance with its terms and conditions.
68. “Second Plant Project Implementing Entity” means the company to be held under the laws of the Kingdom of Morocco by the Borrower and one or more competitively selected partners to develop the Second Plant to be constructed under Part 1.A of the Project.
69. “Second Plant Shareholders’ Agreement” means the agreement to be entered into by MASEN Capital with all the other holders of all of the Second Plant Project Implementing Entity’s voting and nonvoting equity interest that governs their relationship and collective approach to management of the Second Plant Project Implementing Entity’s affairs.
70. “Second Plant Specific Convention” means the convention to be entered into between the Kingdom of Morocco and the Borrower pursuant to Article 22 of the General Convention setting forth in particular undertakings from the Kingdom of Morocco to ensure the economic and financial equilibrium of Part 1.A and Part 1.B of the Project.
71. “Second Plant Subsidiary Loan Agreements” means the agreement or agreements, as the case may be, referred to in Section I.B.1 of Schedule 2 to this Agreement pursuant to which the Borrower shall make a portion of the proceeds of the Loan and the proceeds of the AfDB Second Plant Co-financing I, the AfDB Second Plant Co-financing II, the EIB Second Plant Co-financing, and the KfW Second Plant Co-financing available as a loan or loans, as the case may be, to the Second Plant Project Implementing Entity.
72. “Social Development Plan” or “SDP” means the social development plan describing: (i) the benefits that will accrue to local communities in the area of the Project through the use of the proceeds of the compensation paid pursuant to the provisions of the Plant-site LAPs for the land acquisition necessary for the Project; and (ii) other voluntary actions planned to be implemented by the Borrower and/or any other stakeholder.

73. “Specific Environmental and Social Assessments” or “SESIA” means, the assessment or assessments, as the case may be, to be carried out by the Second Plant Project Implementing Entity and the Third Plant Project Implementing Entity for Part 1.A and Part 1.C of the Project, in accordance with the provisions of the FESIA, including all processes, rules, principles including monitoring and evaluation, public disclosure and consultation, and SESMPs, as described in the FESIA, and to be submitted to the Bank for its review and approval before the commencement of the construction of the Second Plant or the Third Plant, as applicable, such SESIAs to be further disclosed and maintained publicly available on the Borrower's website through the implementation of the Project, and as the SESIAs may be amended from time to time after consultation with, and with the prior approval of the Bank.
74. “Specific Environmental and Social Management Plans” or “SESMPs” means the plan or the plans, as the case may be, to be developed and adopted by the Second Plant Project Implementing Entity and the Third Plant Project Implementing Entity, as part of the SESIAs, for Part 1.A and Part 1.C of the Project, and containing, *inter alia*, the mitigation measures to monitor, reduce, offset or compensate any environmental and/or negative impact that may arise from the activities under Part 1.A and Part 1.C of the Project, such plans to include institutional arrangements for their implementation, budget and monitoring and evaluation systems to implement, monitor and evaluate said mitigation measures, and as the SESMPs may be amended from time to time after consultation with, and with the prior approval of the Bank.
75. “Third Plant” means the concentrated solar tower facility for the generation of electricity of a capacity up to 150 megawatt gross, at a 2,500 hectare site located 10 kilometers northeast of the city of Ouarzazate in the Kingdom of Morocco.
76. “Third Plant Associated Facilities” means those facilities and infrastructures referred to in Section 4.3.5 of the FESIA, including those to be built and operated for the purposes of (i) providing water for the operation of the Third Plant; and (ii) transporting power to and from the Third Plant through transmission line.
77. “Third Plant Engineering, Procurement and Construction Contract” or “Third Plant EPC Contract” means the contract to be entered into by the Third Plant Project Implementing Entity and a third-party contractor for front-end engineering design, procurement of equipment and services, and construction of the Third Plant on a lump-sum, turnkey basis or such other basis as may be suitable for completion of the facility within the timeframe, technical parameters and other terms agreed between the Borrower and the Third Plant Project Implementing Entity in the Second Plant Power Purchase Agreement.

78. "Third Plant Financial Management and Disbursement Manual" means the manual describing the financial management, co-financing and disbursement arrangements for Part 1.C of the Project, and referred to in Section I.A.1 of Schedule 2 to this Agreement.
79. "Third Plant Governance Framework" means the set of rules and practices, policies and procedures designed to facilitate accrued efficiency and prevent corrupt practices, satisfactory to the Bank, to be prepared and adopted by the Third Plant Project Implementing Entity.
80. "Third Plant Operation and Maintenance Agreement" means the agreement to be entered into between the Third Plant Project Implementing Entity and a third party operator allocating to the operator the obligation to operate and maintain the Third Plant in accordance with its terms and conditions.
81. "Third Plant Power Purchase Agreement" means the agreement to be entered into between the Borrower and the Third Plant Project Implementing Entity for the sale by the Third Plant Project Implementing Entity, and the purchase by the Borrower, of electricity generated from the Third Plant in accordance with its terms and conditions.
82. "Third Plant Power Sale Agreement" means the agreement to be entered into between the Borrower and ONEE for the sale by the Borrower, and the purchase by ONEE, of electric capacity and energy generated from the Third Plant in accordance with its terms and conditions.
83. "Third Plant Project Implementing Entity" means the company to be held under the laws of the Kingdom of Morocco by the Borrower and one or more competitively selected partners to develop the Third Plant to be constructed under Part 1.C of the Project.
84. "Third Plant Shareholders' Agreement" means the agreement to be entered into by MASEN Capital with all the other holders of all of the Third Plant Project Implementing Entity's voting and nonvoting equity interest that governs their relationship and collective approach to management of the Third Plant Project Implementing Entity's affairs.
85. "Third Plant Specific Convention" means the convention to be entered into between the Kingdom of Morocco and the Borrower pursuant to Article 22 of the General Convention, setting forth in particular undertakings from the Kingdom of Morocco to ensure the economic and financial equilibrium of Part 1.C and Part 1.D of the Project.

86. “Third Plant Subsidiary Loan Agreements” means the agreement or agreements, as the case may be referred to in Section I.B.3 of Schedule 2 to this Agreement pursuant to which the Borrower shall make a portion of the proceeds of the Loan and the proceeds of the AFD Co-financing, the AfDB Third Plant Co-financing I, the AfDB Third Plant Co-financing II, the EIB Third Plant Co-financing, and the KfW Third Plant Co-financing available as a loan or loans, as the case may be, to the Third Plant Project Implementing Entity.
87. “Tripartite Convention” means the Convention dated October 26, 2010, entered into among the Kingdom of Morocco, the Borrower and ONEE pursuant to Article 3 of the Basic Legislation, regarding the obligations of each of such parties regarding the supply, transport, commercialization and exportation of electricity.