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CREDIT NUMBER 5333-SL

Financing Agreement

(Energy Sector Utility Reform Project)

between

REPUBLIC OF SIERRA LEONE

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated *January 17*, 2014

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CREDIT NUMBER 3333-SL

FINANCING AGREEMENT

AGREEMENT dated January 17, 2014, entered into between the REPUBLIC OF SIERRA LEONE ("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 twenty-six million one hundred thousand Special Drawing Rights (SDR 26,100,000) (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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 March 15 and September 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 and the Program. To this end, the Recipient shall carry out Part 3 of the Project through the Ministry of Energy and shall cause Parts 1 and 2 of the Project to be carried out by a national electricity distribution utility, upon establishment thereof, pursuant to the provisions of Section 5.01(a) of this Agreement ("Project Implementing Entity"), all in accordance with the provisions of Article IV of the General Conditions.
- 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 Event of Suspension consists of the following, namely, that, as a result of events which have occurred after the date of this Agreement, a situation has arisen which shall make it improbable that the Program, or a significant part of it, will be carried out.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Conditions of Effectiveness consist of the following:
- (a) the Recipient has established and put into operation a functional national electricity distribution utility with a mandate, powers and prerogatives, and under terms and conditions, all acceptable to the Association;
 - (b) the Subsidiary Agreement has been executed on behalf of the Recipient and the Project Implementing Entity; and
 - (c) the Recipient has adopted the Project Implementation Manual in accordance with the provisions of Section I.C.1 of Schedule 2 to this Agreement.
- 5.02. The Additional Legal Matter consists of the following, namely, that the Subsidiary Agreement has been duly executed and delivered by the Recipient and the Project Implementing Entity.
- 5.03. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.



- 5.04. For purposes of Section 3.05(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 responsible for finance.

- 6.02. The Recipient's Address is:

Ministry of Finance and Economic Development
Treasury Building
George Street
Freetown, Sierra Leone

Facsimile: 232 22 229 060

- 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.

248423 (MCI)

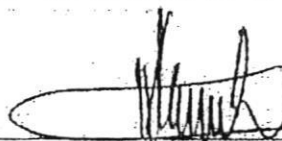
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AGREED at Freetown, Sierra Leone, as
of the day and year first above written.

REPUBLIC OF SIERRA LEONE

By



Authorized Representative

Name:

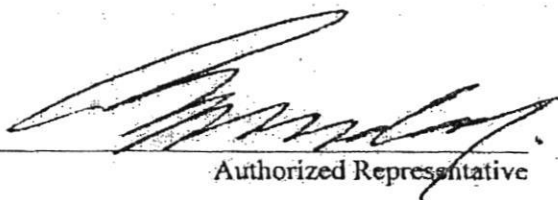
Bai Fala Marah

Title:

Minister

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name:

Yussupha D. Crookes

Title:

Country Director



SCHEDULE 1

Project Description

The objective of the Project is to improve the operational performance of the national electricity distribution utility.

The Project consists of the following parts:

Part 1: Distribution Utility Capacity Enhancement and Performance Improvement

Supporting the establishment of a fully functioning and effective national electricity distribution utility through a Performance Based Contract for Utility Operation and Management.

Part 2: Improvement of Electricity Supply in Urban Areas

Implementing a Network Rehabilitation and Upgrade Investment Plan ("NRUIP") designed to improve the quality and reliability of the national electricity utility's power distribution network, said NRUIP to include:

- (a) Reinforcement, rehabilitation and extension of the primary medium voltage ("MV") distribution network, including, *inter alia*:
 - (i) rehabilitating and operationalizing 33 Kilovolt ("kV") substations;
 - (ii) carrying out of repairs and upgrading of underground cables;
 - (iii) upgrading of overhead lines; (iv) designing of new feeders; and
 - (v) carrying out of appropriate tests.
- (b) Reinforcement, rehabilitation and extension of priority secondary MV and low voltage ("LV") distribution network, including, *inter alia*, supply and installation of appropriate equipment such as 11kV switchgear; 11 kV/400V transformers; conductors; service cables; poles; line hardware; LV panels and associated protection devices, auto-reclosers and load break switches.

Part 3: Sector Planning Assistance, Project Implementation Support and Monitoring and Evaluation

- (a) Provision of technical advisory services to the Ministry of Energy for:
 - (i) (A) preparation and/or review of pre-feasibility and feasibility studies focusing on potential investments in power generation, including all types of primary energy sources; and (B) preparation of urgent investments under the NRUIP; and (ii) monitoring and evaluation, in particular: (A) monitoring and assessing the performance of the Contractor under Part 1 of the Project; and (B) carrying out the impact evaluation of the Project.



(b) Strengthening the capacity of the Project Management Unit through the provision of technical advisory services, goods, non-consulting services, training and operating costs.



SCHEDULE 2

Project Execution

Section I. Institutional and Implementation Arrangements

A. Institutional Arrangements

1. Ministry of Energy

The Recipient shall designate, at all times during the implementation of the Project, the Ministry of Energy ("MoE") to be responsible for prompt and efficient oversight and management of the implementation of activities under Part 3 of the Project, and shall take all actions including the provision of funding, personnel and other resources necessary to enable the MoE to perform said functions.

2. Project Oversight Committee

Without limitation upon the provisions of paragraph 1 of this Section I.A, the Recipient shall designate, at all times during the implementation of the Project, the Project Oversight Committee ("POC") to be responsible for, *inter alia*: (a) providing strategic and policy guidance on the implementation of the Project; (b) reviewing progress made towards achieving the Project's objective; and (c) facilitating coordination of Project activities and removal of any obstacle(s) to the implementation of the Project, and shall take all actions including the provision of funding, personnel and other resources necessary to enable said POC to perform said functions.

3. Project Management Unit

Without limitation upon the provisions of paragraphs 1 and 2 of this Section I.A, the Recipient, through the MoE, shall designate, at all times during the implementation of the Project, the Project Management Unit ("PMU"), to be responsible for: (a) day to day execution, coordination and implementation (including procurement, financial management, environmental and social safeguards, monitoring and evaluation, supervision, reporting and communication aspects) of activities under Part 3 of the Project; (b) procurement of the Contractor under Part 1 of the Project on behalf of the Project Implementing Entity; and (c) preparation of urgent investments under the NRUIP. To this end, the Recipient shall take all actions, including the provision of funding, personnel (including, a general Project coordinator, a procurement specialist, a financial management specialist, a supervising engineer, a financial management assistant, a procurement assistant, an environmental and social



development specialist and a communications specialist), and other resources satisfactory to the Association, to enable the PMU to perform said functions.

B. Subsidiary Agreement

1. To facilitate the carrying out of Parts 1 and 2 of the Project, the Recipient shall make part of the proceeds of the Financing allocated from time to time to Category 1 of the table set forth in Section IV.A.2 of this Schedule available, to the Project Implementing Entity, following the latter's establishment pursuant to the provisions of Section 5.01(a) of this Agreement, under a Subsidiary Agreement between the Recipient and the Project Implementing Entity, under terms and conditions approved by the Association, which shall include the following:

- (a) the principal amount of the Credit made available under the Subsidiary Agreement ("Subsidiary Financing") shall be denominated in Dollars;
- (b) the Subsidiary Financing shall be made available on a non-refundable grant basis; and
- (c) the Recipient shall obtain rights adequate to protect its interests and those of the Association, including the right to: (i) suspend or terminate the right of the Project Implementing Entity to use the proceeds of the Subsidiary Financing, or obtain a refund of all or any part of the amount of the Subsidiary Financing then withdrawn, upon the Project Implementing Entity's failure to perform any of its obligations under the Subsidiary Agreement; and (ii) require the Project Implementing Entity to: (A) carry out said Parts 1 and 2 of the Project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of credit proceeds other than the Recipient; (B) provide, promptly as needed, the resources required for the purpose; (C) procure the goods, works, non-consulting services and services to be financed out of the Subsidiary Financing in accordance with the provisions of this Agreement; (D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of Parts 1 and 2 of the Project and the achievement of their objectives; (E) (1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to said Parts 1 and 2 of the Project; and (2) at the Association's or the Recipient's request, have such financial statements audited by independent auditors



acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association; (F) enable the Recipient and the Association to inspect said Parts of the Project, their operations and any relevant records and documents; and (G) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing.

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 the Subsidiary Agreement or any of its provisions.

C. Implementation Arrangements

1. Project Implementation Manual

- (a) The Recipient shall prepare, under terms of reference acceptable to the Association and furnish to the Association for review, a Project implementation manual, which shall include provisions on the following matters: (i) capacity building activities for sustained achievement of the Project's objectives; (ii) financial management and disbursement; (iii) procurement; (iv) institutional administration, coordination and day to day execution of Project activities; (v) monitoring and evaluation, reporting, information, education and communication of Project activities; and (vi) such other technical and organizational arrangements and procedures as shall be required for the Project.
- (b) The Recipient shall afford the Association a reasonable opportunity to exchange views with the Recipient on said Project implementation manual, and thereafter, shall adopt such Project implementation manual, as shall have been approved by the Association ("Project Implementation Manual").
- (c) The Recipient shall ensure that the Project is carried out in accordance with the Project Implementation Manual; provided, however, that in case of any conflict between the provisions of the Project Implementation Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- (d) Except as the Association shall otherwise agree, the Recipient shall not amend, abrogate or waive any provision of the Project Implementation Manual.



2. Annual Work Plan and Budget

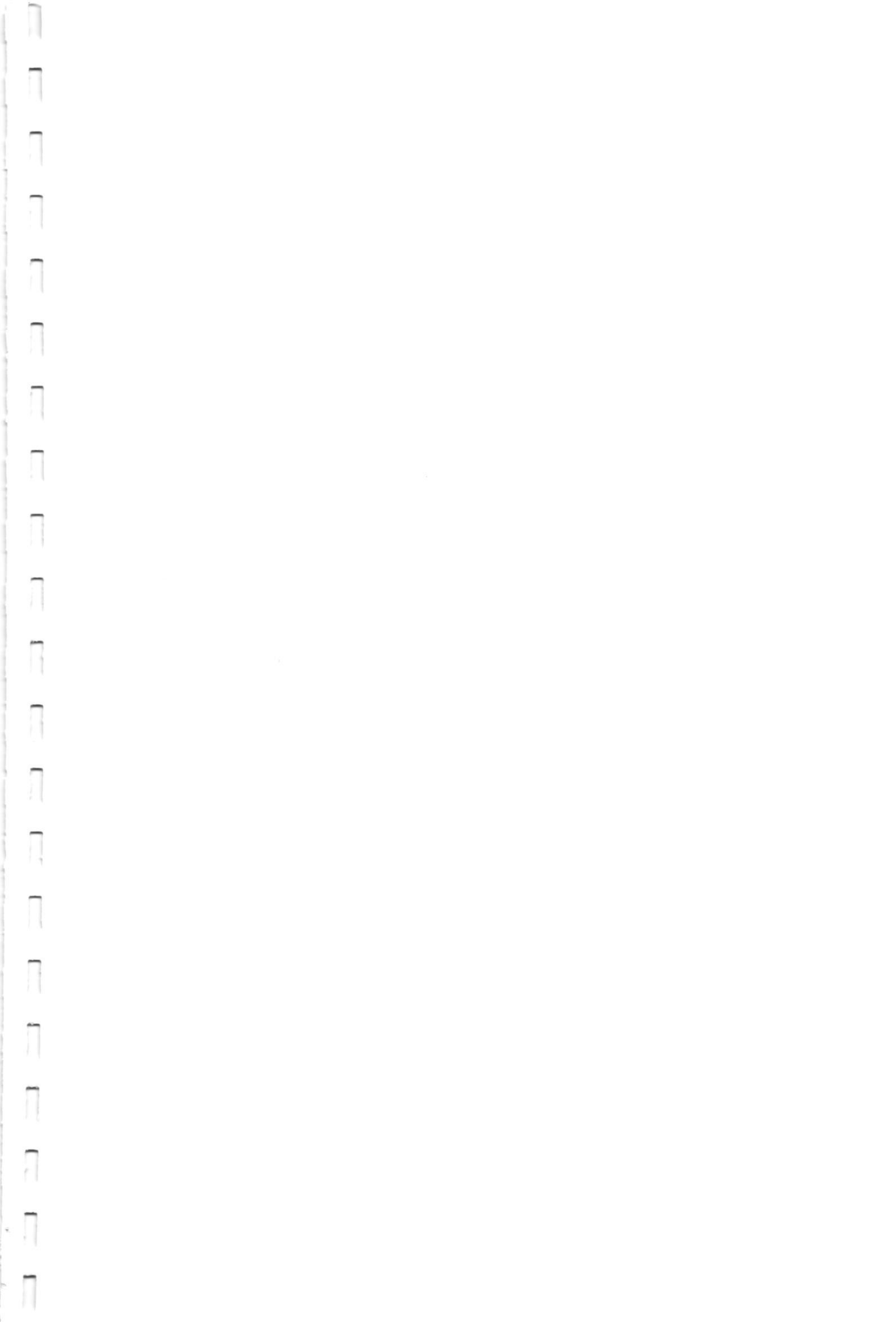
- (a) The Recipient shall prepare and furnish to the Association not later than October 31, of each Fiscal Year during the implementation of the Project, a work plan and budget containing all activities proposed to be included in the Project during the following Fiscal Year and a proposed financing plan for expenditures required for such activities, setting forth the proposed amounts and sources of financing.
- (b) Each such proposed work plan and budget shall specify any Training activities that may be required under the Project, including: (i) the type of Training; (ii) the purpose of the Training; (iii) the personnel to be trained; (iv) the institution or individual who will conduct the Training; (v) the location and duration of the Training; and (vi) the cost of the Training.
- (c) The Recipient shall afford the Association a reasonable opportunity to exchange views with the Recipient on each such proposed work plan and budget and thereafter ensure that the Project is implemented with due diligence during said following Fiscal Year in accordance with such work plan and budget as shall have been approved by the Association ("Annual Work Plan and Budget").
- (d) The Recipient shall not make or allow to be made any change to the approved Annual Work Plan and Budget without prior approval in writing by the Association.

D. Anti-Corruption

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

E. Safeguards

- 1. The Recipient shall ensure that the Project is carried out in accordance with the Safeguard Frameworks and Safeguard Instruments. To this end, the Recipient shall ensure that the following actions are taken in a manner acceptable to the Association:
 - (a) if any activity would, pursuant to the Environmental and Social Management Framework ("ESMF"), (i) require the carrying out of an Environmental and Social Impact Assessment ("ESIA"), the Recipient shall ensure that an ESIA for such activity is: (A) carried out, in accordance with the requirements of the ESMF and furnished to the Association for review and approval; and (B) disclosed as required by



the ESMF and approved by the Association; and (ii) require the preparation of an Environmental and Social Management Plan ("ESMP"), such ESMP is prepared in accordance with the ESMF and furnished to the Association for review and approval, and is disclosed as required by the ESMF and approved by the Association; and

- (b) if a Resettlement Action Plan ("RAP") would be required for any activity on the basis of the Resettlement Policy Framework ("RPF"): (i) said RAP shall be prepared in accordance with the requirements of the RPF, furnished to the Association for review and approval, and disclosed locally; and (ii) no works under said activity shall be commenced until all measures required to be taken under said RAP prior to the initiation of said works have been taken.

- 2. Without limitation upon its other reporting obligations under this agreement and under Section 4.08 of the General Conditions, the Recipient shall include in the Project Reports referred to in Section II.A of this Schedule, adequate information on the implementation of the Safeguard Frameworks and Safeguard Instruments, giving details of: (a) measures taken in furtherance of such Safeguard Frameworks and Safeguard Instruments; (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such Safeguard Frameworks and Safeguard Instruments; and (c) remedial measures taken or required to be taken to address such conditions and to ensure the continued efficient and effective implementation of such Safeguard Frameworks and Safeguard Instruments.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

- 1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association. Each Project Report shall cover the period of six (6) calendar months, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.
- 2. The Recipient shall, not later than one (1) month prior to the mid-term review referred to in paragraph 3 of this Section II.A, furnish to the Association for comments, a report, in such detail as the Association shall reasonably request, on the progress of the Project, and giving details of the various matters to be discussed at such review.
- 3. The Recipient shall, not later than thirty (30) months after the Effective Date, undertake, in conjunction with all agencies involved in the Project, including the

Project Implementing Entity, a comprehensive mid-term review of the Project during which it shall exchange views with the Association and implementing agencies generally on all matters relating to the progress of the Project, the performance by the Recipient of its obligations under this Agreement and the performance by said Project Implementing Entity and said implementing agencies, having regard to the performance indicators referred to in paragraph 1 of this Section II.A.

4. Following the mid-term review, the Recipient shall act promptly and diligently in order to take any corrective action deemed necessary to remedy any shortcoming noted in the implementation of the Project, or to implement such other measures as may be required in furtherance of the objectives of the Project.

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. The Recipient shall 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 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.
4. To facilitate the auditing of Financial Statements referred to in Part B.3 of this Section II, the Recipient shall, not later than four (4) months after the Effective Date, appoint in accordance with the provisions of Section III of this Schedule 2, and thereafter maintain at all times during Project implementation, an external auditor for the Project.

Section III. Procurement

A. General

1. **Goods, Works and Non-consulting Services.** All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

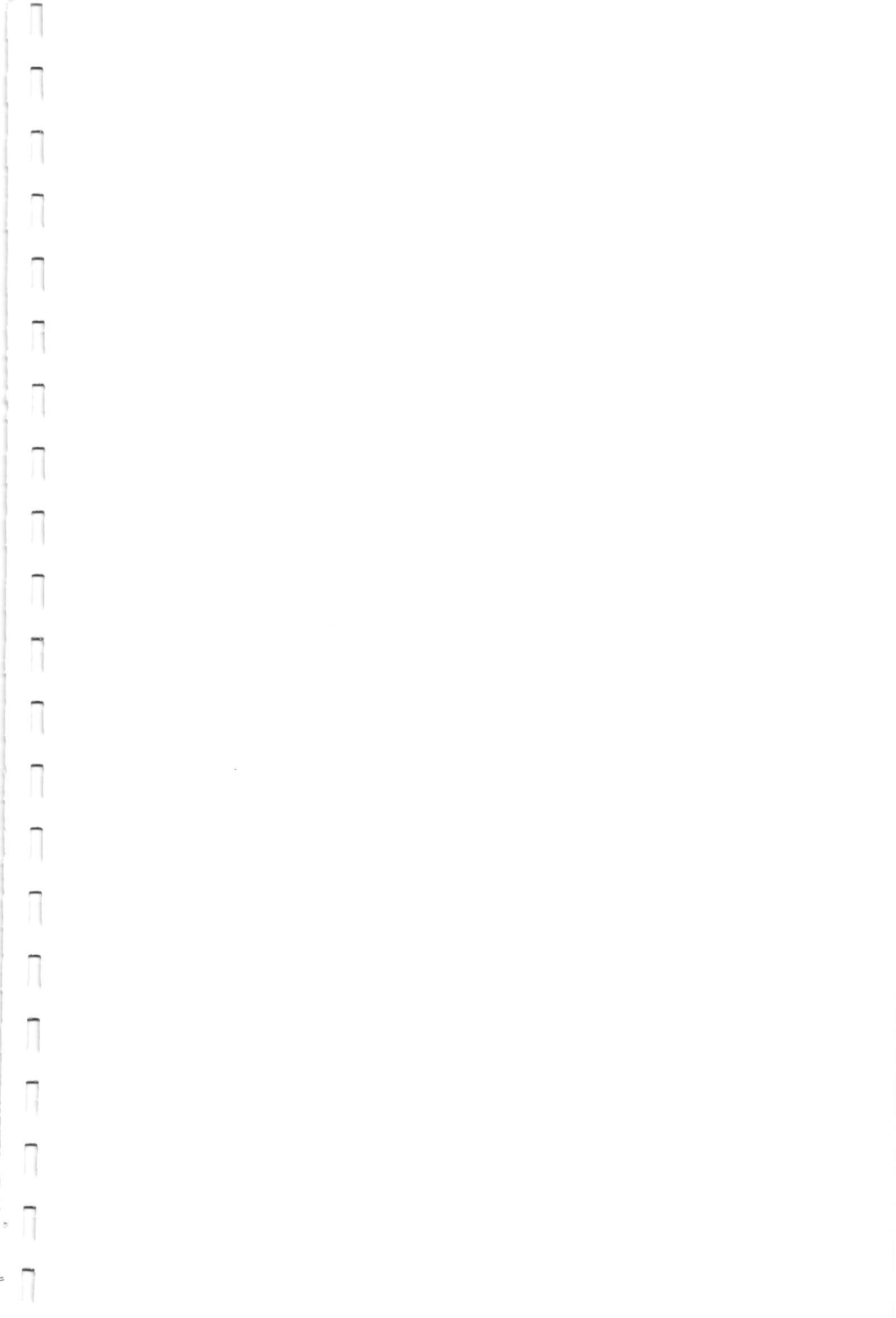
B. Particular Methods of Procurement of Goods, Works and Non-consulting Services

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding *(subject to the additional provisions in paragraph 3 below)*; (b) Shopping; and (c) Direct Contracting.
3. **Additional National Competitive Bidding ("NCB") Procedures.** The procedures to be followed for NCB shall be those set forth in the Recipient's Public Procurement Act ("Act"), provided, however, that said procedures shall be subject to the provisions of Section I and paragraphs 3.3 and 3.4, respectively, of the Procurement Guidelines, and subject to the following additional procedures (i.e. exceptions to the Act):
 - (a) Bidding documents acceptable to the Association shall be used;
 - (b) Eligibility to participate in a procurement process and to be awarded an Association-financed contract shall be as defined under Section I of the Procurement Guidelines. Accordingly, no bidder or potential bidder shall be declared ineligible for contracts financed by the Association for reasons other than those provided in Section I of the Procurement Guidelines. Foreign bidders shall be allowed to participate in NCB procedures, and foreign bidders shall not be obligated to partner with local bidders in order to participate in a procurement process;

- (c) Bidding shall not be restricted to pre-registered firms, and foreign bidders shall not be required to be registered with local authorities as a prerequisite for submitting bids;
- (d) No margins of preference of any sort (e.g., on the basis of bidder nationality, origin of goods, services or labor, and/or preferential programs) shall be applied in the bid evaluation;
- (e) Joint venture or consortium partners shall be jointly and severally liable for their obligations. Bidders shall be given at least thirty (30) days from the date of publication of the invitation to bid or the date of availability of the bidding documents, whichever is later, to prepare and submit bids. Bids shall be submitted in a single envelope;
- (f) An extension of bid validity, if justified by exceptional circumstances, may be requested in writing from all bidders before the original bid validity expiration date, provided that such extension shall cover only the minimum period required to complete the evaluation and award a contract, but not to exceed thirty (30) days. No further extensions shall be requested without the prior written concurrence of the Association;
- (g) All bids (or the sole bid if only one bid is received) shall not be rejected, the procurement process shall not be cancelled, and new bids shall not be solicited without the Association's prior written concurrence;
- (h) Qualification criteria shall be applied on a pass or fail basis;
- (i) Bidders shall be given at least twenty-eight (28) days from the receipt of notification of award to submit performance securities;
- (j) In accordance with the Procurement Guidelines, each bidding document and contract shall include provisions stating the Association's policy to sanction firms or individuals found to have engaged in fraud and corruption as set forth in the Procurement Guidelines; and
- (k) In accordance with the Procurement Guidelines, each bidding document and contract shall include provisions stating the Association's policy with respect to inspection and audit of accounts, records and other documents relating to the submission of bids and contract performance.

C. Particular Methods of Procurement of Consultants' Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.



2. **Other Methods of Procurement of Consultants' Services.** The following methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants' services for those contracts which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants' Qualifications; (e) Single-source Selection of consulting firms; (f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (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.

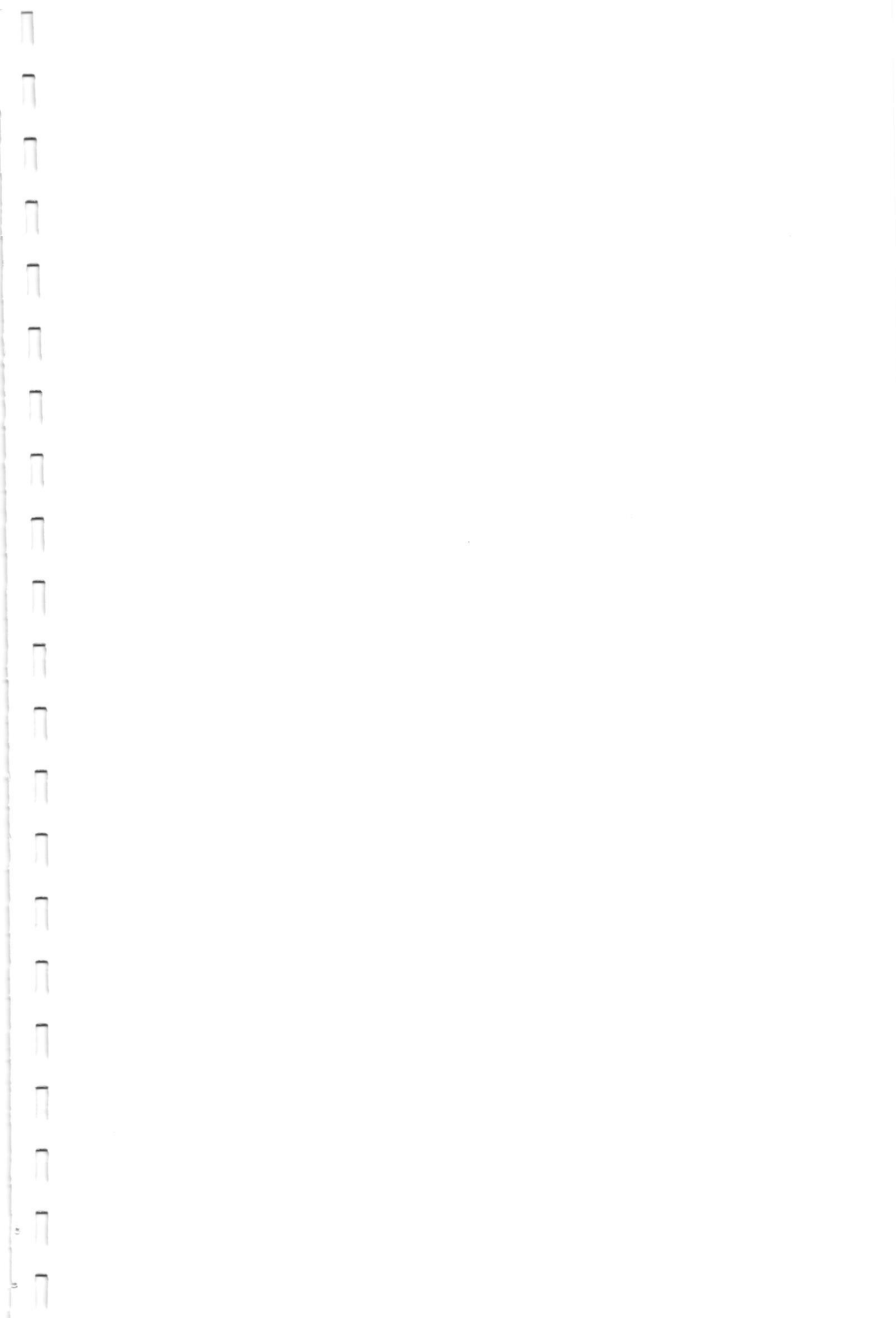
E. Specific Procurement Covenant

The Recipient shall, not later than three (3) months after the Effective Date, update its procurement filing and record keeping system, in form and substance acceptable to 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:



Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, consulting services, non-consulting services and Operating Costs under Parts 1 and 2 of the Project	22,800,000	100%
(2) Consulting services, non-consulting services, Training and Operating Costs under Part 3 of the Project	3,300,000	100%
TOTAL AMOUNT	26,100,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
 - (a) for payments made prior to the date of this Agreement; or
 - (b) under Category (1), unless and until the Project Implementing Entity has entered into the Performance Based Contract for Utility Operation and Management with the Contractor, in accordance with the provisions of Section III of this Schedule 2.
2. The Closing Date is December 31, 2018.



SCHEDULE 3

Repayment Schedule

Principal Amount of the Credit repayable (expressed as a percentage)*	Date Payment Due	On each March 15 and September 15:	commencing March 15, 2024, to and including September 15, 2033	commencing March 15, 2034, to and including September 15, 2053
1%				
2%				

* 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

Definitions

1. "Affected Persons" means persons who, on account of the execution of the Project would suffer direct economic and social impacts resulting in: (a) relocation or loss of shelter; (b) loss of assets or access to assets; (c) loss of income sources or means of livelihood, whether or not the affected persons must move to another location; and (d) adverse impacts on the livelihoods of the affected persons.
2. "Annual Work Plan and Budget" means the annual work plan and budget approved by the Association and adopted by the Recipient in accordance with the provisions of Section I.C.2 of Schedule 2 to this Agreement.
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.
6. "Contractor" means a legal entity to be sub-contracted by the Project Implementing Entity under the Performance-Based Contract for Utility Operation and Management (as this term is hereinafter defined).
7. "Environmental and Social Impact Assessment" or "ESIA" means, with respect to each activity under the Project pursuant to which the ESMF requires an environmental and social impact assessment, such assessment carried out pursuant to Section I.E of Schedule 2 to this Agreement, in accordance with the ESMF.
8. "Environmental and Social Management Framework" or "ESMF" means the framework of the Recipient, dated May 13, 2013, and disclosed in the Association's InfoShop on June 11, 2013, setting forth the modalities for environmental screening and procedures for the preparation and implementation of environmental assessments and management plans under the Project, and such term includes all schedules and annexes to the framework, as the same may be amended from time to time with the written agreement of the Association.

9. "Environmental and Social Management Plan" or "ESMP" means a plan prepared and implemented in accordance with the provisions of Section I.E of Schedule 2 to this Agreement.
10. "Fiscal Year" means the fiscal year of the Recipient commencing on January 1 and ending on December 31 of the same year.
11. "General Conditions" means the "International Development Association General Conditions for Credits and Grants", dated July 31, 2010.
12. "kV" means Kilovolt.
13. "LV" means low voltage.
14. "Ministry of Energy" or "MoE" means the Recipient's ministry responsible for energy, and any successor thereto.
15. "MV" means medium voltage.
16. "Network Rehabilitation and Upgrade Investment Plan" or "NRUIP" means an investment plan, acceptable to the Association, for the upgrading and rehabilitation of the Recipient's national distribution system under Part 2 of the Project.
17. "Operating Costs" means the reasonable incremental expenses arising under the Project, and based on the Annual Work Plan and Budget, on account of vehicle operation and maintenance, maintenance of equipment, communication and insurance costs, office administration costs, utilities, rental, accommodation, banking charges, advertising expenses, travel and *per diem*, but excluding the salaries of the Recipient's civil servants.
18. "Performance Based Contract for Utility Operation and Management" means a contract, acceptable to the Association, to be entered into between the Project Implementing Entity and a competitively selected Contractor under Part 1 of the Project, pursuant to which the Contractor shall be obligated to undertake certain measures and actions designed, among others, to improve the operational, financial, procurement and management capacity of the Project Implementing Entity and to be responsible (concurrently with the Project Implementing Entity) for, among others, implementing activities under Part 2 of the Project, all in conformity with the provisions of this Agreement.
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.

20. "Procurement Plan" means the Recipient's procurement plan for the Project, dated November 6, 2013, 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. "Program" means the program, acceptable to the Association, designed to improve the Recipient's energy sector performance and set forth or referred to in the letter dated October 2, 2013, from the Recipient to the Association.
22. "Project Implementation Manual" means the manual referred to in Section I.C.1 of Schedule 2 to this Agreement.
23. "Project Implementing Entity" means the Recipient's national electricity distribution utility to be established pursuant to the provisions of Section 5.01(a) of this Agreement.
24. "Project Management Unit" or "PMU" means the Recipient's unit referred to in Section I.A.3 of Schedule 2 to this Agreement.
25. "Project Oversight Committee" or "POC" means the Recipient's committee referred to in Section I.A.2 of Schedule 2 to this Agreement.
26. "Public Procurement Act" or "Act" means the Public Procurement Act Number 14 of 2004 of the laws of the Recipient, as amended from time to time.
27. "Resettlement Action Plan" or "RAP" means a resettlement plan, prepared and implemented in accordance with the provisions of Section I.E of Schedule 2 to this Agreement.
28. "Resettlement Policy Framework" or "RPF" means the framework of the Recipient dated June 7, 2013, and disclosed in the Association's InfoShop on June 11, 2013, setting forth the modalities for resettlement and compensation of Affected Persons under the Project, as the same may be amended from time to time with the written agreement of the Association.
29. "Safeguard Framework" means the ESMF or RPF, respectively, as the context may require; and "Safeguard Frameworks" means, collectively, two or more such frameworks.
30. "Safeguard Instrument" means an ESIA, ESMF or a RAP, respectively, and "Safeguard Instruments" means, collectively, two or more such instruments.
31. "Subsidiary Agreement" means the agreement referred to in Section I.B of Schedule 2 to this Agreement.

32. "Subsidiary Financing" means the principal amount of the Credit to be made available to the Project Implementing Entity under the Subsidiary Agreement.
33. "Training" means the reasonable costs associated with the training, workshop and study tour participation of personnel involved in Project activities, as specified in the Annual Work Plan and Budget, said costs to consist of travel and subsistence for training, workshop and study tour participants, costs associated with securing the services of trainers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training course, workshop or study tour preparation and implementation (but excluding costs of consulting services).

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