

**CONFORMED COPY**

**GRANT NUMBER H235 - GUB**

# **Financing Agreement**

**(Multi-Sector Infrastructure Rehabilitation Project)**

**between**

**REPUBLIC OF GUINEA BISSAU**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**Dated June 15, 2007**

**GRANT NUMBER H235 - GUB**

**FINANCING AGREEMENT**

AGREEMENT dated June 15, 2007, between REPUBLIC OF GUINEA BISSAU (“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 the Financing 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 grant in an amount equivalent to ten million three hundred thousand Special Drawing Rights (SDR 10,300,000) (“Grant”) 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 Payment Dates are January 15 and July 15 in each year.
- 2.05. The Payment Currency is Dollars.

**ARTICLE III — PROJECT**

- 3.01. The Recipient declares its commitment to the objectives of the Project and the Program. To this end, the Recipient shall carry out the Project, through the Ministry of Economy, 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 The Additional Event of Suspension is that the Program, or a significant part thereof, has been abrogated, amended, repealed, suspended or waived, at the instance of the Recipient, so as to affect materially and adversely the ability of the Recipient to perform any of its obligations under this Agreement.
- 4.02. The Additional Event of Acceleration is that the event specified in Section 4.01 of this Agreement occurs and is continuing for a period of sixty (60) days after notice of the event has been given by the Association to the Recipient.

**ARTICLE V – EFFECTIVENESS; TERMINATION**

- 5.01. The Additional Conditions of Effectiveness consist of the following:
  - (a) The Co-financing Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of the Financing Agreement) have been fulfilled;
  - (b) The Recipient has hired a financial management specialist, a procurement specialist, an administrative assistant, and a water specialist for the PCU, with terms of reference, qualifications and experience satisfactory to the Association;
  - (c) The Recipient has hired an independent auditor for the Project, with terms of reference, qualifications and experience satisfactory to the Association;

- (d) The Recipient has established a financial management system for the implementation of the Project, in form, content and substance satisfactory to the Association; and
  - (e) The Recipient has issued and adopted the Project Operational Manual, in a form, content and substance satisfactory to the Association.
- 5.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
- 5.03. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under Articles IV and V of the General Conditions and Schedule 2 to this Agreement shall terminate shall terminate is fifteen (15) years after the date of this Agreement.

**ARTICLE VI – REPRESENTATIVE; ADDRESSES**

- 6.01. The Recipient's Representative is the Minister responsible for finance.
- 6.02. The Recipient's Address is:

*Ministério das Finanças*  
Avenida Domingos Ramos  
C. P. 67  
Bissau  
Guinea Bissau

Cable:	Telex:	Facsimile:
MEF	257 MEF B1	(245) 205156

- 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) or 64145 (MCI)	1-202-477-6391

AGREED at Dakar, Republic of Senegal, as of the day and year first above written.

REPUBLIC OF GUINEA BISSAU

By /s/ Issufo Sanha

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Madani M. Tall

Authorized Representative

## **SCHEDULE 1**

### **Project Description**

The objective of the Project is to assist the Recipient in rehabilitating and improving the quality and performance of its energy, water and road sectors.

The Project consists of the following parts:

#### Part 1: Institutional Development and Sectorial Studies

##### **A. Energy Sector**

1. Design and implementation of a re-organization plan for EAGB, including a productivity enhancement program, capacity development, training and provision of technical assistance for the improvement of its power and water operations.
2. Carrying out of a study to assess the Recipient's potential to produce modern bio-energy.
3. Design of: (a) a medium to long term national energy development strategy, including least-cost and renewable energy options; and (b) a national energy sector investment and resource mobilization plan.
4. (a) Acquisition of financial and accounting software for EAGB; and (b) Provision of training in the use of the software referred to in Part 1.A. 4 (a) of the Project.
5. Provision of technical assistance and training to the Recipient's Line Ministries to strengthen their technical capacities in the provision of energy services.

##### **B. Water Sector**

1. Provision of technical assistance to EAGB for the design and implementation of a reform program of the Recipient's water sector, including, *inter alia*: (a) objective criteria for the establishment of tariff policies; (b) regulations for the management of public standpipes; and (c) rules to enable private sector participation in the provision of water services.

2. Provision of technical assistance and training to Line Agencies to strengthen their technical capacities in the provision of water services.
3. Provision of technical assistance and training to Line Ministries and Line Agencies to develop a Recipient's water investment program.

**C. Roads Sector**

Provision of technical advisory services to Line Ministries to: (a) formulate a transport sector strategy; (b) design a road sector investment plan; (c) mobilize and coordinate donor investment support for the road sector; (d) enable the Recipient's participation in the Sub Saharan Africa Transport Policy Program Initiative; and (e) develop technical capacities for road planning, management and maintenance.

Part 2: Restoration and Rehabilitation of the Power System

- A. Transportation, small works for site preparation for mobilization and demobilization of a 15 MW power generator in the city of Bissau in accordance with the provisions of the Private Operation Scheme Agreement set forth in paragraph 8 of Schedule 2 to this Agreement.
- B. The carrying out of environmental mitigation measures set forth in the Environmental Audit Report in connection with the implementation of Part 2.A of the Project.
- C. Acquisition of three (3) small cashew shell-based power generation plants to be located in the Borrower's territory, upon compliance with the provisions of the Operational Manual, the Environmental Audit Report, and Section III of Schedule 2 to this Agreement.
- D. Provision of Technical Assistance to EAGB to develop an interphase system between EAGB's customer management system and the commercial management system of the company in charge of electricity metering systems in the Recipient's territory.

Part 3: Rehabilitation of Water Production, Treatment and Urban Distribution

- A. Building of a 700 cubic meters water reservoir at EAGB's premises.
- B. Replacement of the old pumping system at the August 3 Hospital in the city of Bissau.
- C. Replacement of: (a) 3.6 km of primary water distribution networks along the November 14 Avenue and the *Pansau na Isna* Avenue in the city of Bissau; and (b) 9 km of tertiary water distribution networks in the neighborhood of Ajuda in the city of Bissau.
- D. Extension of 26.3 km of tertiary water distribution networks to serve remote areas in the city of Bissau that lack access to water services.
- E. Construction of 700 water connections and 50 new public standpipes in the city of Bissau, in particular, the neighborhoods of Luanda and Bandim.
- F. Acquisition of 6,000 water meters for installation in the city of Bissau.
- G. Provision of technical equipment to EAGB, including: (a) water analysis kits; (b) fire standpipes; and (c) operational tools.
- H. Acquisition of one (1) pick-up truck to be used for the implementation of Part 3 of the Project.

Part 4: Limited Rehabilitation of Urban Road Infrastructure

- A. Carrying out of feasibility studies to determine the type of works needed, as well as the eligibility criteria and timing for reconstruction of urban roads in the Recipient's territory.
- B. Carrying out of a program, including civil works, acquisition of equipment and provision of consultant services to rehabilitate the primary and secondary road network in the city of Bissau.
- C. Supervision activities for civil works under Part 4 of the Project.
- D. Acquisition of one (1) 4x4 vehicle to be used for the implementation of Part 4 of the Project.



Part 5: Project Management, Monitoring and Evaluation

Provision of support for overall Project coordination, evaluation, supervision and implementation, including, *inter alia*:

- (i) the strengthening of the capacity of the PCU to comply with its responsibilities referred to in paragraph 4 of Section I of Schedule 2 to this Agreement;
- (ii) the provision of training to PCU staff to enhance their knowledge of the Association's disbursement, financial management and procurement policies and procedures;
- (iii) the carrying out of audits for the Project;
- (iv) the implementation of a program to monitor and evaluate the carrying out of the Project;
- (v) the acquisition of three (3) 4x4 vehicles for the use of the Line Ministries;
- (vi) the acquisition of one (1) 4x4 vehicle for the use of the PCU;
- (vii) the acquisition of office supplies and equipment for the PCU; and
- (viii) the acquisition of hardware and software for the PCU.

## SCHEDULE 2

### Project Execution

#### Section I. Institutional and Other Arrangements

##### 1. Execution of the Project

The Recipient shall carry out the Project through its Ministry of Economy, with the assistance of the Line Ministries and Line Agencies.

##### 2. Participation of Line Ministries and Line Agencies

The Recipient shall, not later than thirty (30) days following the Effective Date, through the PCU, enter into a memorandum of understanding with the Line Ministries and Line Agencies, in form and substance satisfactory to the Association, including, *inter alia*, allocation of responsibilities for Project implementation, obligations to provide technical support for the Project, as well as obligations to monitor and evaluate the technical implementation of the Project.

##### 3. The Steering Committee

The Recipient shall maintain, for the purposes of the Project, a Steering Committee, acceptable to the Association, throughout the period of implementation of the Project, with structure, functions and responsibilities, for the purpose of overseeing the execution of the Project. The Steering Committee shall be chaired by the Minister of Finance and comprise of the heads of the Line Ministries or their representatives.

##### 4. The PCU

(a) The Recipient shall maintain the PCU, at all times during Project implementation, with a structure, functions and responsibilities acceptable to the Association, including, *inter alia*, the responsibility of the PCU to assist the Recipient and the Steering Committee in the coordination, implementation, monitoring and supervision of the Project.

(b) The Recipient shall ensure that the PCU is, at all times during Project implementation, headed by one (1) Project coordinator and staffed with a

financial management specialist, a procurement specialist, a water specialist, and professional and administrative staff, all hired with terms of reference, through competitive processes, in numbers and with qualifications and experience acceptable to the Association.

- (c) Except as the Recipient and the Association may otherwise agree in writing, the Recipient shall not introduce changes in the number of positions of the PCU or in the professional skills required for occupying such positions, unless said changes have been previously agreed in writing with the Association.

## 5. **Operational Manual**

- (a) Without limitation upon the provisions of Section 4.01 of the General Conditions, the Recipient shall carry out the Project in accordance with a manual (the Operational Manual), acceptable to the Association, said manual to include, *inter alia*:
  - (i) an institutional implementation plan of the Ministry of Economy, the Line Ministries and the Line Agencies for the management of the Project (including, *inter alia*, allocation of responsibilities among staff, yearly planning of activities and budget and time allocation for those activities);
  - (ii) detailed arrangements for the overall carrying out of the Project (including, *inter alia*, the procurement, financial management, environmental and social guidelines to be followed during Project implementation by the Recipient, the Line Ministries and the Line Agencies);
  - (iii) the guidelines for the preparation of Annual Action Plans;
  - (iv) internal control systems to be followed by the PCU during Project implementation;
  - (v) detailed guidelines and procedures for the implementation of the Environmental Audit Report in connection with the carrying out of the Project; and
  - (vi) detailed guidelines to determine the economic and technical viability, as well as the technical requirements, and eligibility

criteria, for the acquisition of the equipment referred to in Part 2.C of the Project.

- (b) Except as the Recipient and the Association may otherwise agree in writing, the Recipient shall not abrogate, amend, repeal, suspend, waive or otherwise fail to enforce the Operational Manual or any provision thereof.
- (c) In case of any conflict between the terms of the Operational Manual and those of this Agreement, the terms of this Agreement shall prevail.

**6. The Annual Action Plan**

- (a) The Recipient shall, not later than January 31 of each year during Project implementation, or such later date as the Association shall determine, starting in year 2007, furnish to the Association for approval, an annual action plan (the Annual Action Plan), each said plan to include, *inter alia*:
  - (i) the Project activities to be carried out during the twelve months immediately following the presentation of each said plan;
  - (ii) the procurement plan, and disbursement schedule for each said twelve month period; and
  - (iii) the annual budget for purposes of expenses of Operating Costs for the Project.
- (b) The Recipient shall thereafter implement each said Annual Action Plan, approved by the Association, in accordance with its terms; and
- (c) The Recipient shall carry out the Annual Action Plan for the year 2007, approved by the Association prior to the date of this Agreement.

**7. Environmental Safeguards**

- (a) The Recipient shall, prior to initiating the implementation of Parts 2, 3 and 4 of the Project, provide evidence to the Association, in form and substance satisfactory to the Association, demonstrating that the

Recipient has complied with the provisions of the Environmental Audit Report.

- (b) The Recipient shall cause the Line Ministries and the Line Agencies to implement their respective parts of the Project in compliance with the provisions of the Environmental Audit Report.
- (c) Except as the Recipient and the Association may otherwise agree in writing, the Recipient shall not abrogate, amend, repeal, suspend, waive or otherwise fail to enforce the provisions of the Environmental Audit Report.
- (d) In case of any conflict between the terms of the Environmental Audit Report and those of this Agreement, the terms of this Agreement shall prevail.

#### 8. **Private Operation Scheme Agreement**

The Recipient shall enter into a separate agreement with the Private Operator, on terms and conditions satisfactory to the Association, including, *inter alia*:

- (a) the obligation of the Private Operator to assist the Recipient in the implementation of Part 2.A of the Project;
- (b) the obligation of the Private Operator to comply with the provisions of the Environmental Audit Report, and its corresponding environmental mitigation measures;
- (c) the obligation of the Private Operator to comply with the Association's Consultant and Procurement Guidelines;
- (d) the detailed arrangements for the billing and fee collection systems, including auditing procedures, pertaining to the provision of electricity services by the Private Operator in the Recipient's territory;
- (e) the administrative and technical procedures to be followed by the Private Operator in the provision of electricity services in the Recipient's territory;

- (f) the obligation of the Recipient to obtain separate funding for the lease payments of the 15 MW generation equipment;
- (g) the obligation of the Recipient to open an escrow account in a commercial bank to receive applicable fees paid by the Private Operator; and
- (h) the detailed arrangements for: (A) the transportation of the 15 MW generation equipment; and (B) the carrying out of small works for the site preparation and installation of the 15 MW generation equipment in the city of Bissau.

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

### **A. Project Reports**

- 1. (a) 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 set forth below in sub-paragraph (b) of this paragraph. Each Project Report shall cover the period of one (1) calendar quarter, and shall be furnished to the Association not later than (45) forty five days after the end of the period covered by such report.
- (b) The performance indicators referred to above in sub-paragraph (a) consist of the following:

#### **Part 1: Institutional Development of and Sectorial Studies**

- (a) Preparation of the long-term-least-cost national energy development strategy.
- (b) New tariff policies adopted in the power and water sectors.
- (c) Transport strategy and road investment plan designed and adopted

#### **Part 2: Restoration and Rehabilitation of the Power System**

- (a) Increase in electricity generation from 2.6 MW to 15MW by the Private Operator with international technical performance standards.

- (b) Demonstrate technical and economic feasibility of biomass co-generation.

Part 3: Rehabilitation of Water Production, Treatment and Urban Distribution

- (a) Reduction in water losses from 70% in 2006 to about 50% by the end of the Project.
- (b) Increase in water storage capacity by about 700 cubic meters.
- (c) Extension of water distribution (about 26 km) networks to unserved areas.

Part 4: Rehabilitation of Urban Road Infrastructure

- (a) Linear extension of 20 to 30 kilometers of roads with improved mobility through rehabilitation of hot spots.
- (b) 10 to 15% of reduction of the transit time for public transport services on the road rehabilitated.

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

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.
2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association as part of the Project Reports, not later than forty five (45) days after the end of each calendar quarter, interim un-audited financial reports for the Project covering such 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 (1) fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal under the Grant was made. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

**Section III. Procurement**

**A. General**

1. **Goods and Works.** All goods and works required for the Project 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 Schedule.
2. **Consultants' Services.** All consultants' services required for the Project 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 Schedule.
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 the Procurement Guidelines, or Consultant Guidelines, as the case may be.

**B. Particular Methods of Procurement of Goods and Works**

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding.
  - (a) The following provisions shall apply to goods and works to be procured under contracts awarded in accordance with the provisions of paragraph 1 of this Part B:
    - (b) **Prequalification**

If applicable, bidders for the Private Operation Scheme contract shall be pre-qualified in accordance with the provisions of paragraphs 2.9 and 2.10 of the Guidelines.
    - (c) **Grouping of contracts**
      - (A) To the extent practicable, contracts for goods shall be grouped in bid packages estimated to cost \$150,000 equivalent or more each.



(B) To the extent practicable, contracts for works shall be grouped in bid packages estimated to cost \$250,000,000 equivalent or more each.

(d) Notification and Advertising

The invitation to pre-qualify or bid for each contract shall be advertised in accordance with the procedures applicable to contracts under paragraph 2.8 of the Guidelines.

2. **Other Methods of Procurement of Goods and Works.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used:

<b>Procurement Method</b>
(a) National Competitive Bidding
(b) Shopping
(c) International Competitive Bidding, subject to the provisions of paragraph 3.13 (a) of the Procurement Guidelines

**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.

(a) The following provisions shall apply to consultants' services to be procured under contracts awarded in accordance with the provisions of paragraph 1 of this Part C.

(b) The expressions of interest for each contract for consulting firms and each contract for consulting firms expected to cost more than \$200,000 shall be advertised in accordance with the procedures of paragraph 2.5 of the Guidelines.

2. **Other Methods of Procurement of Consultants' Services.** The following table specifies methods of procurement, other than Quality and Cost-Based Selection, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used.

<b>Procurement Method</b>
(a) Least Cost Selection
(b) Selection under a Fixed Budget
(c) Selection Based on Consultant's Qualifications
(d) Single Source Selection
(e) Individual Consultants

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

Except as the Association shall otherwise determine by notice to the Recipient, the following contracts shall be subject to Prior Review by the Association:

- (a) Each contract for works estimated to cost the equivalent of \$250,000 or more, procured on the basis of International Competitive Bidding;
- (b) Each contract for goods estimated to cost the equivalent of \$150,000 or more, procured on the basis of International Competitive Bidding;
- (c) Each contract for consultants' services provided by a firm estimated to cost the equivalent of \$100,000 or more;
- (d) Each contract for consultants' services provided by a firm or an individual, procured on the basis of Single Source Selection; and
- (e) In addition, the following prior review procedures shall apply to each contract for the employment of individual consultants (other than consultants to be selected on a sole source basis) estimated to cost the equivalent of \$50,000 or more: (i) the report on the comparison of the qualifications and experience of candidates, terms of reference and conditions of employment of the consultant shall be furnished to the

Association for its prior review and approval; (ii) the contract shall be awarded only after the Association's approval shall have been given; and (iii) the provisions of paragraph 3 and 5 of Appendix 1 to the Consultant Guidelines shall apply to the contract. The following prior review procedures shall apply to each contract for the employment of individual consultants to be selected on a sole source basis: (i) the qualifications, experience, terms of reference and conditions of employment of the consultants shall be furnished to the Association for its prior review and approval; (ii) the contract shall be awarded only after the Association's approval shall have been given; and (iii) the provisions of paragraph 3 of Appendix 1 to the Consultant Guidelines shall apply to the contract.

All other contracts shall be subject to Post Review by the Association.

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

**A. General**

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of this Section and such additional instructions as the Association may specify by notice to the Recipient, to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing ("Category"), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<b>Category</b>	<b>Amount of the Financing Allocated (expressed in SDR)</b>	<b>Percentage of Expenditures to be Financed</b>
(1) Works	2,690,000	100%
(2) Goods	3,450,000	100%
(3) Consultant's services (including audits)	2,070,000	100%
(4) Training	180,000	100%
(5) Transportation and small works for the Private Operation Scheme under Part 2.A of the Project	760,000	100%
(6) Operating Costs	120,000	100%
(7) Unallocated	1,030,000	
<b>TOTAL AMOUNT</b>	<b>10,300,000</b>	<b>100%</b>

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section no withdrawals shall be made for payments made prior to the date of this Agreement.
2. The Closing Date is June 30, 2011.

**Section V. Other Undertakings**

- A.** The Recipient shall, no later than December 31, 2006, submit to the Association, evidence satisfactory to the Association, that amendments, in a content and scope, satisfactory to the Association, to the Electricity Law have been approved and promulgated, to the satisfaction of the Association.

## APPENDIX

### Definitions

1. “Annual Action Plan” means any of the plans referred to in paragraph 6 (a) and/or (c) of Section I of Schedule 2 to this Agreement.
2. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
3. “Co-Financier” means *Banque Quest Africaine de Développement*, the West African Development Bank.
4. “Co-Financing” means an amount of five (5) million Dollars to be provided by the Co-financier to assist in financing the Project and Program.
5. “Co-Financing Agreement” means the agreement to be entered into between the Recipient and the Co-Financier providing for the Co-Financing.
6. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Recipients” published by the Bank in May 2004.
7. “EAGB” means the Recipient’s independent Electricity and Water Agency.
8. “Electricity Law” means the Recipient’s law that sets forth the legal framework for the provision of electricity services in the Recipient’s territory, approved by Decree dated December 27, 1990.
9. “Environmental Audit Report” means the report approved by the Recipient on January 24, 2006 and referred to in Section I.7 of Schedule 2 to this Agreement, setting forth an environmental management program, recommendations of technical and institutional mitigation measures, as well as administrative, reporting and monitoring arrangements to ensure compliance with said Audit Report, as shall have been agreed with the Association for purposes of Project implementation, as the same may be amended from time to time in consultation with the Association, and such term includes any annexes thereto.
10. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005.

11. “Line Agencies” means any one or all of the following independent or parastatal agencies: (a) Electricity and Water of Guinea-Bissau; and (b) Directorate General of Roads and Bridges.
12. “Line Ministries” means any one or all of the following Ministries of the Recipient: Ministry of Public Works, Construction and Town Planning; Ministry of Energy; Ministry of Natural Resources; and Ministry of Economy.
13. “Operating Costs” means reasonable recurrent Project expenditures, based on an annual budget previously approved by the Association, that would not have been incurred by the Recipient, absent the Project, including: (a) office equipment and supplies; (b) office rental expenses; (c) vehicle maintenance costs, fuel and spare parts; and (d) travel expenses and per-diems, financed with the proceeds of the Financing, all needed for the supervision of the Project.
14. “Operational Manual” means the manual referred to in paragraph 5 of Section I of Schedule 2 to this Agreement.
15. “PCU” means the project coordination unit referred to in paragraph 4 of Section I of Schedule 2 to this Agreement, located in the project implementation unit for the Recipient’s ongoing Private Sector Rehabilitation and Development Project (Credit Number 3622-GUB).
16. “Private Operator” means a private enterprise that, in accordance with the provisions of the contractual arrangements entered into with the Recipient, proposes to provide a 15 MW power generator for purposes of carrying out Part 2. A of the Project.
17. “Private Operation Scheme Agreement” means the separate agreement between the Recipient and the Private Operator referred to in paragraph 8 of Section I of Schedule 2 to this Agreement.
18. “Procurement Guidelines” means the “Guidelines for Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004.
19. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated May 5, 2006 and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

20. “Program” means the Recipient’s program designed to rehabilitate the energy, water and road sectors in the Recipient’s territory as set forth in the letter dated September 19, 200, from the Recipient to the Association.
  
21. “Sub Saharan Africa Transport Policy Program Initiative” means a partnership of countries, regional economic communities, public and private African institutions and organizations, international organizations and development partners in transport policy formulation.