

Public Disclosure Authorized

CONFORMED COPY

CREDIT NUMBER 4344 - ET

Financing Agreement

(Electricity Access (Rural) Expansion Phase II Project)

between

FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated July 13, 2007

CREDIT NUMBER 4344 - ET

FINANCING AGREEMENT

AGREEMENT dated July 13, 2007, between FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”).

WHEREAS, the Recipient has satisfied itself as to the feasibility and priority of the Project described in schedule 1 to this Agreement;

WHEREAS, 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 credit in an amount equivalent to eighty-six million Special Drawing Rights (SDR 86,000,000) (“Credit”), 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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 June 15 and December 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 Dollars.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall, in accordance with the provisions of Article IV of the General Conditions: (i) carry out Parts 3(c), 3(d) and 3(e) of the Project through MME; (ii) cause Part 1 and 3(a) of the Project to be carried out by EEPCo in accordance with the provisions of the EEPCo Project Agreement; and (iii) cause Parts 2, 3(b), 3(f) and 3(g) of the Project to be carried out by EREDPC in accordance with the provisions of the EREDPC Project Agreement, and with the assistance of the REF.
- 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 any of the Project Implementing Entities' Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Project Implementing Entity to perform any of its obligations under the respective Project Agreement.
- 4.02. The Additional Event of Acceleration consists of the following: namely, that the event specified in 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 Association to the Recipient.

ARTICLE V — EFFECTIVENESS; TERMINATION

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

- (b) EEPCo has appointed an additional accountant and two procurement specialists, within the UEAP Office, all with qualifications, experience and terms of reference acceptable to the Association.

- 5.02. The Additional Legal Matter consists of the following: namely, that the Subsidiary Agreement has been duly authorized or ratified by the Recipient and EEPCo and is legally binding upon the Recipient and EEPCo in accordance with its terms.

- 5.03. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

- 5.04. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under Articles IV and V of the General Conditions and Schedule 2 to this Agreement shall terminate is 20 years after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient's Representative is the Minister of Finance and Economic Development.

6.02. The Recipient's Address is:

Ministry of Finance and Economic Development,
P.O. Box 1905
Addis Ababa,
Federal Democratic Republic of Ethiopia

Cable:	Telex:	Facsimile:
MINFIN	21147	(251-111) 551355

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 Addis Ababa, Federal Democratic Republic of Ethiopia, as of the day and year first above written.

FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

By: /s/ Sufian Ahmed

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: /s/ Ishac Diwan

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to support the Recipient's efforts towards the sustainable expansion of access to electricity in rural towns and villages.

The Project consists of the following parts:

Part 1. Grid Access Expansion

Supporting the expansion of rural electrification through:

- (a) Connection of about 265 rural towns and villages (with about 1,101,000 inhabitants) to the interconnected EEPCo grid, including: (i) drawing sufficient power lines to electrify the towns; and (ii) installation of distribution networks in the towns and villages.
- (b) Installing efficient public street lighting in the rural towns and villages electrified under paragraph (a) above.
- (c) Connection of about 286,000 new or indirect household customers to the grid distribution system, including installation of meters and drop-down wires as well as the distribution of two compact fluorescent lights per household in rural towns and villages.

Part 2. Off-Grid Access Expansion

- (a) Carrying out of a mini-grid electrification program, consisting of the development and implementation of about 30 mini-grids serving 40,000 customers, based on mini-hydro, solar photo-voltaic, or other renewable sources, through the provision of technical assistance and sub-loans from the REF to eligible Beneficiaries for the implementation of qualifying sub-projects.
- (b) Installing 200 solar photo-voltaic systems in remote, off-grid areas for social services.

Part 3. Pilots, Technical Assistance and Capacity Building

- (a) Strengthening the capacity of EEPCo to design, implement and supervise the grid extension activities under the Project.
- (b) Provision of technical assistance to strengthen the EREDPC to design, implement and supervise the off-grid rural electrification program.
- (c) Development of studies on the required framework for grid and off-grid regulatory, legal and physical integration studies.
- (d) Development of a study on options for a sector syndication strategy of the power sector in Ethiopia.
- (e) Development of studies on opportunities and barriers for energy efficiency and demand side management for the energy sector in Ethiopia.
- (f) Design and implementation of sub-projects on a pilot scale to provide low-cost stand-alone basic electricity services to scattered rural customers.
- (g) Design and implementation of sub-projects on a pilot scale, on productive uses in areas to be electrified (grid or off-grid), focusing on increase in post-harvest productivity.

SCHEDULE 2

Project Execution

Section I. Subsidiary Financing Arrangements; Institutional and Other Implementation Arrangements

A. **Subsidiary Financing Arrangements under Parts 1 and 3(a) of the Project (Grid-Based Rural Electrification Program)**

1. To facilitate the carrying out of Parts 1 and 3(a) of the Project by EEPCo, the Recipient shall make available to EEPCo, on a grant basis, the portions of the proceeds of the Financing allocated from time to time to Categories 1(a) and 3(a) of the table set forth in paragraph A of Section IV of this Schedule, under an agreement (the Subsidiary Agreement) between the Recipient and EEPCo, under terms and conditions approved by the Association.
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.

B. **Procedures for the Preparation, Evaluation, Approval and Implementation of Sub-projects to Be Financed by the REF under Part 2(a) of the Project (Mini-Grid Electrification Program)**

1. To facilitate the carrying out by EREDPC of the Mini-Grid Electrification Program described under Part 2(a) of the Project, the Recipient shall cause to be maintained, under legal arrangements satisfactory to the Association, an administrator for the REF, having qualifications and experience satisfactory to the Association, including arrangements providing for the preparation, evaluation, approval and implementation of the corresponding Sub-projects under Part 2(a) of the Project, and providing for the principal terms and conditions of Sub-loan Agreements with Beneficiaries, acceptable to the Association, including in particular, arrangements ensuring that:
 - (a) Sub-projects under Part 2(a) of the Project are identified, appraised, approved, implemented and monitored in accordance with the qualification criteria and selection procedures set forth in the POM;

- (b) Beneficiaries for Sub-loans to be provided under Part 2(a) of the Project are selected in accordance with eligibility criteria agreed with the Association and set forth in the POM; and
- (c) Sub-loan Agreements with the proposed Beneficiaries, are entered into under terms and conditions which shall include, inter alia, the following provisions:
 - (i) the Beneficiary must be a legal entity duly established under the laws of the Recipient, or a licensed individual(s) with adequate technical expertise or experience in rural electrification investments;
 - (ii) the Beneficiary shall carry out the Sub-project with due diligence and efficiency, in accordance with sound technical, financial, environmental, resettlement, international waterway and managerial standards;
 - (iii) the Beneficiary shall maintain adequate records reflecting the operations, resources and expenditures incurred under the Sub-project in accordance with sound accounting practices;
 - (iv) the goods, works or services financed from the proceeds of the Financing shall be procured in accordance with the procedures set forth in Section III of Schedule 2 to the Financing Agreement, and shall be used exclusively for the implementation of the Sub-project;
 - (v) the right of the Recipient, to inspect by itself, or jointly with the Association, if the Association shall so request, the goods, works, and operations thereof, and any relevant records or documents;
 - (vi) the right to obtain all information which the Recipient or the Association shall reasonably request regarding the administration, operation and financial condition of the Beneficiary;
 - (vii) the right to require the Beneficiary to take out insurance with responsible insurers against such risks and in such amounts as shall be consistent with sound business practice;

- (viii) the right to receive from the Beneficiary quarterly progress reports and a final report on the completion of the Sub-project; and
- (ix) the right to suspend or terminate the right of the Beneficiary to the use of the proceeds of the Financing for the Sub-project, upon failure by the Beneficiary to perform any of its obligations under the Sub-Loan Agreement.

C. Institutional Arrangements for Parts 2, 3(b), 3(f) and 3(g) of the Project

The Recipient shall maintain, with financial resources, competent staff in adequate numbers, and with qualifications and experience satisfactory to the Association EREDPC, as Project Implementing Entity with the responsibility for implementation of Parts 2, 3(b), 3(f) and 3(g) of the Project.

D. ESMF and RPF

1. The Recipient shall cause the Project Implementing Entities to (i) carry out their Respective Parts of the Project in accordance with the guidelines, rules and procedures defined in the ESMF and the RPF and in a manner satisfactory to the Association; and (ii) each maintain an environmental management capacity with responsibility for implementing the ESMF and RPF, including carrying out any EMP and RAP, for activities undertaken under their Respective Parts of the Project.
2. 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 ESMF and the RPF, or any EMP and RAP, referred to in sub-paragraph (1) of this paragraph or any provision thereof.
3. In case of any conflict between the terms of the ESMF and the RPF, and any EMP and any RAP referred to in sub-paragraph (1) of this paragraph and those of this Agreement, the terms of this Agreement shall prevail.

E. Anti-Corruption

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

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient shall monitor and evaluate, and cause the Project Implementing Entities to monitor and evaluate, the progress of the Project and to prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators set forth in the Project Agreements. Each Project Report shall cover the period of six months, and shall be furnished to the Association not later than one month after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.
2. The Recipient shall prepare and furnish to the Association, or cause the Project Implementing Entities to prepare and furnish to the Association, not later than forty-five (45) days after the end of each calendar quarter, interim un-audited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.
3. The Recipient shall cause the Financial Statements, including the Financial Statements of the Project Implementing Entities, to be 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 Project Implementing Entities. The audited Financial Statements for each such period shall be furnished to the Association not later than six months after the end of such period.

Section III. Procurement

A. General

1. **Goods.** All goods 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 Schedule.
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 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 shall be procured under contracts awarded on the basis of International Competitive Bidding.
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. The Procurement Plan shall specify the circumstances under which such methods may be used:

Procurement Method
(a) National Competitive Bidding
(b) Shopping
(c) Direct Contracting
(d) Procurement from UN Agencies
(e) Established private sector or commercial practices customarily used by the Beneficiaries of Sub-projects under the Mini-Grid Electrification Program (Part 2(a) of the Project), agreed with the Association in accordance with the provision of 3.12 of the Procurement Guidelines, to be further detailed in the POM acceptable to the Association.

(f) Other usual and customary procurement methods by village cooperatives and similar organizations for the Sub-projects under the off-grid component under Parts 3(f) and 3(g) of the Project, agreed with the Association in accordance with the provisions of paragraph 3.17 of the Procurement Guidelines, to be further detailed in the POM acceptable to the Association.

C. Particular Methods of Procurement of Consultants' Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.
2. **Other Methods of Procurement of Consultants' Services.** The following table specifies 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.

Procurement Method
(a) Fixed Budget Selection
(b) Single Source Selection
(c) Individual Consultants
(d) Least Cost Selection
(e) Selection Based on Consultants' Qualifications

D. Review by the Bank of Procurement Decisions

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

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of this Section and such additional instructions as the Bank 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 Credit to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Credit Allocated (expressed in SDR)	Percentage of Expenditures to Be Financed
(1) Goods (a) for Part 1(a) of the Project (b) for Part 2 of the Project	56,760,000 1,600,000	100% of Foreign Expenditures and 85% of Local Expenditures
(2) Sub-projects (a) under Part 2(a) of the Project (the Mini-Grid Electrification Program), to be disbursed from the REF (b) under Parts 3(f) of the Project (c) under Parts 3(g) of the Project	8,100,000 800,000 1,200,000	100%
(3) Consultants’ Services (including training) (a) for Part 3 (a) of the Project (b) for Part 3(b) of the Project (c) for Parts 3(c), 3(d), and 3(e) of the Project (d) for Parts 3(f) and 3(g) of the Project	300,000 570,000 1,550,000 670,000	100%
(4) Unallocated	14,450,000	
TOTAL AMOUNT	86,000,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for:
 - (a) payments made prior to the date of this Agreement;
 - (b) a Sub-project under Category 2(a) (the Mini-Grid Electrification Program under Part 2(a) of the Project), unless: (i) the Recipient has updated and furnished to the Association the relevant parts of the POM covering the activities to be carried out under the Mini-Grid Electrification Program, satisfactory in form and substance to the Association; and (ii) the Sub-project has been selected, evaluated, and approved in accordance with eligibility criteria and procedures referred to in paragraph B of Section I of this Schedule 2 to this Agreement, and the Sub-loan has been made on the terms and conditions set forth or referred to in the POM;
 - (c) a Sub-project under Category 2(b) (pilot sub-projects for rural electrification under Parts 3(f) of the Project), unless: (i) the Recipient has updated and furnished to the Association the relevant parts of the POM covering the activities to be carried out under Part 3(f) of the Project, satisfactory in form and substance to the Association; and (ii) the Sub-project has been selected, evaluated, and approved in accordance with eligibility criteria and procedures, and on the terms and conditions set forth or referred to in the POM; and
 - (d) a Sub-project under Category 2(c) (pilot sub-projects for rural electrification under Part 3(g) of the Project), unless: (i) the Recipient has updated and furnished to the Association the relevant parts of the POM covering the activities to be carried out under Parts 3(g) of the Project, satisfactory in form and substance to the Association; and (ii) the Sub-project has been selected, evaluated, and approved in accordance with eligibility criteria and procedures, and on the terms and conditions set forth or referred to in the POM.
2. The Closing Date is December 31, 2011.

Section V. Other Undertakings

- A. The Recipient shall contribute to the EEPCo's funding, including the proceeds of the Financing under this Agreement, for not less than 80% of the capital costs of the Project and of the UEAP.

- B. By no later than September 1, 2007, the Recipient shall prepare and submit to the Association, in form and substance satisfactory to the Association, a summary note describing the composition, roles, responsibilities and governance mechanisms for its committee on grid and off-grid electrification, including addressing of key coordination and integration processes.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each June 15 and December 15:	
commencing December 15, 2017 to and including June 15, 2027	1%
commencing December 15, 2027 to and including June 15, 2047	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 Person” means a person who, on account of the execution of the Project, has experienced or would experience direct economic or social impacts caused by: (i) the involuntary taking of land, resulting in: (A) relocation or loss of shelter, (B) loss of assets or access to assets, or (C) loss of income sources or means of livelihood, whether or not such person must move to another location; or (ii) the involuntary restriction to access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such persons and “Affected Persons” means more than one Affected Person.
2. “Beneficiary” means an individual(s) or a legal entity, including a non-governmental organization or cooperative, that is selected to receive financing support in the form of a Sub-loan (as hereinafter defined), in accordance with eligibility criteria set forth in the POM (as hereinafter defined) satisfactory to the Association, for the implementation of Sub-projects (as hereinafter defined) under Parts 2(a), 3(f) and 3(g) of the Project, and Beneficiaries shall mean such Beneficiaries collectively.
3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
4. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004, and revised in October 2006.
5. “EEPCo” means the Ethiopian Electric Power Corporation, established pursuant to the Recipient’s Council of Minister’s Regulation No. 18/1997 of July 7, 1997 (EEPCo Regulation).
6. “EREDPC” means the Ethiopia Rural Energy Development and Promotion Center, established pursuant to the Recipient’s Proclamation No. 269/2002 dated January 31, 2002, and operating under the Recipient’s MOARD (as hereinafter defined).
7. “Energy Access Project” means the Energy Access Project defined in the Development Credit Agreement No. 3712-ET of September 26, 2002, between the Recipient and the Association, as such agreement may be amended from time to time, and such term includes the “General Conditions Applicable to Development Credit Agreements” of the Association, dated January 1, 1985

(as amended through October 6, 1999), as applied to such agreement, and all schedules and agreements supplemental to such Development Credit Agreement.

8. “ESMF” means the Recipient’s Environmental and Social Management Framework document dated February 2007, and referred to in paragraph C of Section I of Schedule 2 to this Agreement, setting forth, *inter alia*, guidelines, procedures, timetable and other specifications designed to offset adverse environmental and social impacts related to Project activities, or to reduce them to acceptable levels, or to enhance positive impacts.
9. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005 (as amended through October 15, 2006).
10. “Mini Grid Electrification Program” means the Recipient’s mini grid electrification program as described in paragraph 2(a) of Schedule 1 to this Agreement.
11. “MME” means the Recipient’s Ministry of Mines and Energy.
12. “Procurement Guidelines” means the “Guidelines for Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004, and revised in October 2006.
13. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated April 26, 2007, 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.
14. “Project Implementing Entity” means EEPCo or EREDPC, as the case may be.
15. “Project Implementing Entities’ Legislation” means, in the case of EEPCo, the Regulation No. 18/1997 dated July 7, 1997 of the Recipient, and Proclamation No. 90/2003 of the Recipient, as the same shall have been amended to the date of this Agreement; and in the case of EREDPC Proclamation No. 269/2002 of the Recipient dated January 31, 2002.
16. “Project Operational Manual” and “POM” means the Project Operational Manual adopted by the EREDPC for the purposes of the Energy Access Project, to be updated satisfactory in form and substance to the Association, pursuant to the provisions of sub-paragraphs 1(b) and 1(c) of paragraph B of Section IV of

Schedule 2 to this Agreement, and setting out, *inter alia*, the eligibility criteria, procedures, terms and conditions, procurement arrangements, and institutional and financial arrangements, required for the selection and implementation of Sub-projects under Parts 2(a), 3(f) and 3(g) of the Project, as the same may be amended from time to time with the agreement of the Association, and such term includes any schedules to the Project Operational Manual.

17. “REES” means the Rural Electrification Executive Secretariat, established pursuant to the Recipient’s Proclamation No. 137/2003 dated February 6, 2003.
18. “REF” means the Recipient’s Rural Electrification Fund, established pursuant to the Recipient’s Proclamation No. 137/2003 dated February 6, 2003.
19. “RPF” means the Resettlement Policy Framework of the Recipient dated February 2006 setting forth, *inter alia*, guidelines, procedures, timetable and other specifications of the resettlement/compensation to be made under the Project to Affected Persons, and referred to in paragraph C of Section I of Schedule 2 to this Agreement.
20. “Sub-loan” means a sub-loan made or proposed to be made by the Recipient through the REF, or by any Project Implementing Entity, out of the proceeds of the Credit to an eligible Beneficiary for the financing of a Sub-project (as defined herein).
21. “Sub-loan Agreement” means the agreement providing for a Sub-loan; and such term includes any Schedule to such an agreement.
22. “Sub-project” means a specific rural electrification project financed or to be financed through a Sub-loan provided from the proceeds of the Credit for any of Parts 2(a), 3(f) or 3(g) of the Project.
23. “Subsidiary Agreement” means the agreement referred to in paragraph A.1 of Section I of Schedule 2 to this Agreement, pursuant to which the Recipient shall make the portions of the proceeds of the Credit allocated from time to time to Categories (1)(a) and (3)(a) of the table set forth in paragraph A of Section IV of Schedule 2 of this Agreement available to EEPCo on a grant basis.
24. “UEAP” means the Recipient’s Universal Electricity Access Program.

25. “UEAP Office” means the UEAP Office established within EEPCo for purposes of managing the implementation of the UEAP, including the activities to be carried out under the Project.