

Public Disclosure Authorized

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CREDIT NUMBER 4356-GH

Financing Agreement

(Energy Development and Access Project)

between

REPUBLIC OF GHANA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated August 8, 2007

Public Disclosure Authorized

CREDIT NUMBER 4356-GH

FINANCING AGREEMENT

AGREEMENT dated August 8, 2007, entered into between the REPUBLIC OF GHANA (“Recipient”) and the 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 fifty nine million one hundred thousand Special Drawing Rights (SDR 59,100,000) (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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 January 15 and July 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 objectives of the Project and the Program. To this end, the Recipient shall carry out Parts A.1, A.3, A.4, C.2, C.3, and C.5 (a), (b) and (c) of the Project through MOE and cause: (a) Parts A.2, B.1, B.2 and C.1: (a) of the Project to be carried out by ECG; (b) Part C.1(b) of the Project to be carried out by VRA; and (c) Parts C.4 and C.5 (d) and (e) of the Project to be carried out by ARB Apex Bank, all in accordance with the provisions of Article IV of the General Conditions and the Project Agreements.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Events of Suspension consist of the following:
- (a) a situation has arisen which shall make it improbable that the Program, or a significant part thereof, will be carried out; and
 - (b) any Project Implementing Entity's Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the relevant Project Implementing Entity to perform any of its obligations under the Project Agreement to which it is a party.
- 4.02. The Co-financing Deadline for the effectiveness of the Co-financing Agreements providing for the Co-financing from the ACGF, GPOBA and Switzerland, respectively, is January 30, 2008, and the Co-financing Deadline for the effectiveness of the Co-financing Agreement providing for the Co-financing from the AfDF is June 30, 2008.
- 4.03. The Additional Event of Acceleration consists of the following:
- (a) the event specified in paragraph (a) of Section 4.01 of this Agreement occurs and is continuing for a period of 60 days after notice of the event has been given by the Association to the Recipient; and
 - (b) the event specified in paragraph (b) of Section 4.01 of this Agreement occurs.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Conditions of Effectiveness consist of the following:
- (a) the Subsidiary Agreements have been executed on behalf of the Recipient and the Project Implementing Entities;
 - (b) the Co-financing Agreement between the Recipient and IBRD acting as an implementing agency of the GEF 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 this Agreement) have been fulfilled;
 - (c) the Recipient and each Project Implementing Entity have adopted their respective Project Implementation Plans, in form and substance satisfactory to the Association;
 - (d) the Recipient has given effect to PURC's November 2006 approved tariff adjustments;
 - (e) EPA has completed and issued the "Sector Specific Guidelines for Environmental Impact Assessments" for the energy sector referred to in paragraph 18 of the Appendix to this Agreement, in form and substance satisfactory to the Association;
 - (f) the Recipient has established the Project Steering Committee, with a composition and terms of reference satisfactory to the Association; and
 - (g) MOE has appointed a project coordination team, and interim secretariat staff responsible for implementing Parts C.2 and C.3 of the Project, all with qualifications and terms of reference acceptable to the Association, in accordance with the provisions of Section III of Schedule 2 to this Agreement.
- 5.02. The Additional Legal Matter shall be that the Subsidiary Agreements have been duly authorized or ratified by the Recipient and the Project Implementing Entities and are legally binding upon the Recipient and the Project Implementing Entities in accordance with their respective terms.
- 5.03. The Effectiveness Deadline is the date one hundred and twenty (120) days 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 Planning
P.O. Box MB40
Accra, Ghana

Cable:	Telex:	Facsimile:
ECONOMICON Accra	2205 MIFAEP GH `	233-21-667069 233-21-663854

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)	1-202-477-6391

AGREED at Accra, Republic of Ghana, as of the day and year first above written.

REPUBLIC OF GHANA

By /s/ Kwadwo Baah-Wiredu

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Mats Karlsson

Authorized Representative

SCHEDULE 1

Project Description

The objectives of the Project are to assist the Recipient in: (i) improving the operational efficiency of the electricity distribution system and increasing the population's access to electricity; and (ii) transitioning Ghana to a low-carbon economy through the reduction of greenhouse gas emissions.

The Project consists of the following parts:

Part A. Sector and Institutional Development

1. Regulatory Capacity Strengthening

Support to PURC to:

- (a) carry out technical and operational reviews of VRA and ECG to analyze VRA's and ECG's performance and capacity in, among others, planning, engineering, operations and maintenance, finance, corporate and customer services, and to propose measures for improving such performance and capacity;
- (b) review the cost of electricity generation, transmission and distribution and develop cost reflective tariff levels and structures;
- (c) carry out public education and communication activities to inform the public of tariff setting procedures;
- (d) develop a tariff methodology for renewable energy generation and, in coordination with EC, develop a standardized power purchase agreement for small scale renewable energy projects; and
- (e) carry out training, workshops and other activities to strengthen the capacity and performance of PURC electricity sector staff.

2. ECG Corporate Strengthening Program

Support to ECG to:

- (a) carry out a technical assistance program to design and implement measures for enhancing ECG's corporate, operational and financial management performance; and
- (b) carry out training and capacity building activities for ECG management and senior personnel, defined, among others, on the basis of the technical and operational reviews developed under Part A.1 (a) of the Project and the

recommendations developed under Part A.2 (a) of the Project, and carry out studies related to ECG's rural electrification business and distribution system investments.

3. Sector Policy and Strategy Development

- (a) Support to MOE to: (i) facilitate the preparation of enhanced corporate performance contracts with ECG and VRA drawing on the findings of, among others, the technical and operational audits carried out under Part A.1(a) of the Project; (ii) prepare and implement its institutional development strategy; and (iii) carry out sector development studies, including the development of a framework for contracting independent power producers.
- (b) Support to EC to: (i) prepare, monitor and implement a renewable energy policy, law and related regulations and action plans; (ii) carry out a renewable energy resource assessment and provide information needed for the private sector to develop renewable energy projects; (iii) implement information campaigns for policy and decision makers, utilities and consumers to promote renewable energy and energy efficiency; and (iv) prepare the policy and regulatory framework for biofuel and woodfuels.

4. Environmental, Social and Project Management

- (a) Provision of technical and operational assistance to MOE to carry out the day-to-day administration, coordination, environmental and social safeguard management, procurement and financial management of Project activities.
- (b) (i) Support to EPA to conduct annual reviews and ongoing monitoring of the preparation and implementation of environmental assessments and other instruments as required for the activities carried out under the Project, carry out an assessment of EPA's internal resource allocation for environmental assessments, develop environmental management plan preparation and public consultation guidelines and administer related training; and (ii) Support to VRA to train and build the capacity of its social and resettlement officers.
- (c) Support to MOE to monitor and evaluate the Project's implementation progress and outcomes.
- (d) Support to an interim secretariat of MOE to manage the rural electrification funds under Parts C.2 and C.3 of the Project until REA has been established.

Part B. Electricity Distribution Improvement

1. ECG Electricity Distribution System Upgrade

- (a) Upgrade and construction of 33/11 kV substations and 33 kV and 11 KV overhead lines and switchgear in selected areas, addition or replacement of distribution transformation facilities, and such materials as required for network maintenance and expansion, rehabilitation of LV lines in selected areas, and reconfiguration of parts of the low voltage distribution system into a high voltage distribution system in peri-urban areas of Accra selected for support through the Financing.
- (b) Upgrading and construction of 33/11 kV substations and 33 kV and 11 KV overhead lines and switchgear in selected areas, rehabilitation of low voltage lines in selected areas, and reconfiguration of parts of the low voltage distribution system into a high voltage distribution system in Takoradi and Kumasi areas selected for support through the Co-financing from the AfDF.
- (c) Addition or replacement of distribution facilities, and such materials as required for network maintenance and expansion, selected for support through the Co-financing from the ACGF.
- (d) Provision of Shunt capacitor compensation in selected areas of the network.

2. ECG Commercial and Technical Capacity Upgrade

- (a) Establishment of new ECG customer service centers and district offices, provision of vehicles for customer service centers and project implementation team, replacement of faulty meters, rerouting of service tails, procurement of automatic meter testing and calibration facilities, extension of local area networks/wide area networks to district offices and customer service centers, development of applications for project material management, provision of construction and installation equipment, relevant technical and office tools to improve ECG's operational capacity, carrying out training and capacity building measures for ECG operational personnel, and provision of design and supervision support, selected for support through the Financing.
- (b) Establishment of an ECG-wide trouble call center, technical support to supplement the network and database management system, extension of the prepayment metering system from the Accra region to the Western, Central and Volta regions, secondary substation metering and provision of summation current transformers, implementation of marketing and customer education initiatives and customer perception surveys, development of secondary automation and supervisory control and data acquisition systems for rural networks and for the

Takoradi and Kumasi areas, selected for support through the Co-financing from the ACGF.

Part C. Electricity Access and Renewable Energy

1. Intensification of Electricity Distribution Systems

- (a) Carrying out of ECG electricity distribution system intensification investments in selected rural and peri-urban towns of selected districts through the upgrading of the 33 kV network, construction of 11 kV and low voltage distribution networks, transformers, service connections and associated equipment, including the carrying out of technical design and supervision of the intensification investments.
- (b) Carrying out of VRA electricity distribution system intensification investments in selected towns and villages in selected VRA-covered regions through the upgrading of the 33 kV network, construction of 11 kV and low voltage distribution networks, transformers, service connections and associated equipment, including the carrying out of technical design and supervision of the intensification investments.

2. Power Grid Extensions

- (a) Provision of RE Grants to ECG for the carrying out of power grid extensions in selected un-electrified rural towns and villages to be funded through the Financing, through the construction of 33 kV network, 11 kV and low voltage distribution networks, transformers, service connections and associated equipment.
- (b) Provision of RE Grants to ECG for the carrying out of grid extensions in selected un-electrified rural towns and villages to be funded through the Co-financing from the ACGF, through the construction of 33 kV network, 11 kV and low voltage distribution networks, transformers, service connections and associated equipment.
- (c) Provision of RE Grants to ECG for the carrying out of grid extensions in selected un-electrified rural towns and villages to be funded through the Co-financing from Switzerland, through the construction of 33 kV network, 11 kV and low voltage distribution networks, transformers, service connections and associated equipment.

3. Mini Power Grids and Grid-Connected Renewable Energy

Provision of RE Grants to eligible developers for eligible projects to install mini power grid systems and provide grid-connected renewable energy such as small hydro, wind, and biomass.

4. Solar Photovoltaic Systems

- (a) Establishment and operation of a revolving line of credit facility for the provision of Solar PV Loans to eligible rural banks to finance loans to eligible consumers for the supply, installation, maintenance and battery replacement of solar PV systems.
- (b) Provision of Solar PV Grants to eligible rural banks to co-finance the loans to eligible consumers under Part C.4(a) for the supply, installation, maintenance and battery replacement of solar PV systems.

5. Capacity Building

- (a) Support to REA and, until its establishment, MOE to develop the policy, institutional, regulatory, and financing framework for electricity access expansion, including the establishment and operation of the Rural Electrification Fund.
- (b) Support to REA and, until its establishment, MOE to carry out renewable energy feasibility and development studies, develop a rural electrification master plan and regulatory instruments for renewable energy mini-grids, and prepare bidding and contracting documents for grid-connected renewable investments.
- (c) (i) Provision of BDS Grants to eligible renewable energy developers to develop business plans, market development plans, feasibility studies, loan application documentation, environmental and social impact assessments of renewable energy projects, set-up of local solar PV dealerships and other eligible activities required for renewable energy investments; and (ii) Provision of a BDS Grant to the Association of Ghana Solar Industry to conduct solar PV promotion campaigns and training programs for local solar PV dealers.
- (d) Support to ARB Apex Bank and eligible rural banks to: (i) manage the Solar PV Loans under Part C.4(a) of the Project and the Solar PV Grants under Part C.4(b) of the Project; and (ii) develop financial products, design tripartite agreements between rural banks, dealers and consumers, promote solar PV systems, and carry out training courses, study tours and other capacity building activities.
- (e) Support to ARB Apex Bank and eligible rural banks to carry out monitoring and verification of technical standards for solar PV equipment and installation.

SCHEDULE 2**Project Execution****Section I. Implementation Arrangements****A. Subsidiary Agreements**

1. To facilitate the carrying out of the Project Implementing Entities' Respective Parts of the Project, the Recipient shall make part of the proceeds of the Financing and of the Co-financing from the ACGF, GEF and GPOBA available to the Project Implementing Entities under subsidiary agreements ("Subsidiary Agreements") between the Recipient and each Project Implementing Entity, under terms and conditions approved by the Association, which shall include, inter alia:
 - (a) For the purposes of carrying out by each Project Implementing Entity of its Respective Part of the Project, the Recipient shall make available to: (i) ECG (A) the proceeds of the Financing allocated from time to time to Categories 1(a), 3(b) and 4(b) of the table set forth in Section IV.A.2 of this Schedule, on loan terms with an interest rate of 5.3% and a repayment period of 17 years including a grace period of 5 years (with ECG bearing the foreign exchange risk on the on-lent amounts), (B) the proceeds of the Financing allocated from time to time to Categories 1(b), 2(b) and 3(c) of the table set forth in Section IV.A.2 of this Schedule, on non-reimbursable grant terms, and (C) the part of the proceeds of the Co-financing from the ACGF allocated to ECG pursuant to the Co-financing Agreement between the Recipient and the Association acting as an administrator of the ACGF, on non-reimbursable grant terms; (ii) VRA the proceeds of the Financing allocated from time to time to Category 1(c) of the table set forth in Section IV.A.2 of this Schedule, on non-reimbursable grant terms; and (iii) ARB Apex Bank (A) the proceeds of the Financing allocated from time to time to Category 5 of the table set forth in Section IV.A.2 of this Schedule and (B) the part of the proceeds of the Co-financing from the GPOBA and the GEF allocated to ARB Apex Bank pursuant to the relevant Co-financing Agreement, both on non-reimbursable grant terms.
 - (b) 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 relevant Project Implementing Entity to use the proceeds of the Financing and/or the Co-financing from the ACGF, GEF and/or GPOBA, as the case may be, or obtain a refund of all or any part of the withdrawn amount of the Financing and/or the said Co-financing, as the case may be, upon the relevant Project

Implementing Entity's failure to perform any of its obligations under the Subsidiary Agreement; and (ii) require the relevant Project Implementing Entity to: (A) carry out its Respective Part of the Project with due diligence and efficiency and in accordance with sound technical, economic, engineering, financial, managerial, environmental and social standards and practices satisfactory to the Recipient and the Association; (B) provide, promptly as needed, the resources required for the purpose; (C) procure the goods and services to be financed out of the Financing and/or the Co-financing from the ACGF, GEF and/or GPOBA, as the case may be, in accordance with the provisions of this Agreement and the relevant Co-financing Agreement; (D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Recipient and the Association, the progress of its Respective Part of the Project and the achievement of the objectives of the Project; (E) (1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Recipient and the Association, both in a manner adequate to reflect the operations, resources and expenditures related to its Respective Part 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 Recipient and the Association, in accordance with consistently applied auditing standards acceptable to the Recipient and 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 its Respective Part of the Project, its operation 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;

- (c) Except as the Association shall otherwise agree, the Recipient and each of the Project Implementing Entities shall not assign, amend, abrogate or waive the relevant Subsidiary Agreement or any of its provisions; and
 - (d) In the event of any conflict between, on the one part, the Subsidiary Agreement, and on the other part, the Financing Agreement, the Project Agreement or the Co-financing Agreements for the Co-financing from the ACGF, GEF or GPOBA, as the case may be, the provisions of the Financing Agreement, the Project Agreement or the Co-financing Agreements for the Co-financing from the ACGF, GEF or GPOBA, as the case may be, shall prevail.
2. The Recipient shall exercise its rights under the Subsidiary Agreements 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 Agreements or any of their provisions.

B. Institutional Arrangements

1. Project Steering Committee

- (a) The Recipient shall establish and maintain at all times until the completion of the Project, the Project Steering Committee with a composition, mandate and resources satisfactory to the Association.
- (b) Without limitation to sub-paragraph (a) of this paragraph, the Project Steering Committee shall be chaired by the Minister of Energy and include representatives of MOE, ECG, VRA, ARB Apex Bank, EC, PURC, EPA, MOFEP, and private industry, and shall be responsible for, *inter alia*: (i) reviewing semi-annually or more often if required, progress made towards achieving the Project's objectives; (ii) facilitating the coordination of Project activities among the entities represented in the Steering Committee, and making recommendations for removal of any obstacles to the implementation of the Project; and (iii) providing comments on reports prepared by the agencies involved in the implementation of the Project for the benefit of the Association and the Co-financiers.

2. Implementing Agencies

- (a) The Recipient shall ensure that MOE, ECG and VRA are maintained at all times during the implementation of the Project with functions, staffing and resources satisfactory to the Association, for the purpose of ensuring the prompt and efficient implementation of the Project.
- (b) Without limitation to sub-paragraph (a) of this paragraph, MOE shall be responsible for the overall coordination, management, monitoring and evaluation of the Project.

3. Rural Electrification Agency

- (a) The Recipient shall, not later than December 31, 2008, establish (i) a Rural Electrification Agency with a mandate, staffing and resources satisfactory to the Association, and (ii) a Rural Electrification Fund governed by provisions satisfactory to the Association and to be managed by REA as a long-term financing mechanism for electricity access and renewable energy development.
- (b) Without limitation upon the provisions of sub-paragraph (a) of this paragraph, REA shall, upon its establishment, be responsible for rural

electrification and related renewable energy development, including the operation of the Rural Electrification Fund and the provision of RE Grants under Parts C.2 and C.3 of the Project.

C. Operational Manuals

1. The Recipient shall ensure that the following operational manuals, in form and substance satisfactory to the Association, are adopted and furnished to the Association:
 - (a) Project Implementation Plans for MOE and each of the Project Implementing Entities, all said plans containing detailed arrangements and procedures for: (i) institutional coordination and day-to-day execution of the Project; (ii) disbursement and financial management; (iii) procurement; (iv) environmental and social safeguards management; (v) monitoring, evaluation, reporting and communication; and (vi) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project;
 - (b) a BDS Grants Manual defining eligibility criteria and appraisal, approval, contracting and supervision arrangements and procedures for BDS Subprojects, including a model Sub-financing Agreement;
 - (c) an RE Grants Manual defining eligibility criteria and appraisal, approval, contracting and supervision arrangements and procedures for RE Subprojects, including a model Sub-financing Agreement; and
 - (d) a Solar PV Financing Manual defining eligibility criteria and appraisal, approval, contracting and supervision arrangements and procedures for Solar PV Subprojects, including model Sub-financing Agreement(s).
2. The Recipient shall ensure that the Project is carried out in accordance with the arrangements and procedures set out in the OMs (provided, however, that in case of any conflict between the arrangements and procedures set out in the OMs and the provisions of this Agreement, the provisions of this Agreement shall prevail), and shall ensure that the OMs or any of their provisions are not amended, abrogated or waived without prior approval in writing by the Association.

D. Annual Work Plans and Budgets

1. The Recipient shall prepare and furnish to the Association for its approval, not later than October 31 of each year during the implementation of the Project, an Annual Work Plan and Budget containing all eligible Project activities and expenditures planned for the following Fiscal Year, including a specification of

the source or sources of financing for each contract for expenditures eligible for financing from each such source and the percentage of financing of each contract from each such source.

2. The Recipient shall not make or allow to be made any material change to the approved Annual Work Plan and Budget without prior approval in writing by the Association.

E. Environmental and Social Safeguard Measures

1. The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Environmental and Social Safeguard Instruments and the Resettlement Policy Framework and shall ensure that, prior to carrying out any construction, rehabilitation and maintenance activities under the Project:

- (a) any necessary Resettlement Action Plans are prepared, disclosed and implemented in accordance with the RPF, and in a manner satisfactory to the Association; and

- (b) any necessary Environmental Impact Assessments are prepared and disclosed, any necessary Environmental Management Plans are prepared, disclosed and implemented, and any necessary EPA approvals and permits are obtained and maintained by the Recipient and the Project Implementing Entities in full force and effect at all times during the implementation of the Project, in accordance with the Environmental and Social Safeguard Instruments, and in a manner satisfactory to the Association.

2. Without limitation upon the provision of paragraph 1 of this Part E, the Recipient shall, through the “Sector Specific Guidelines for Environmental Impact Assessments” of EPA referred to in paragraph 18 of the Appendix to this Agreement:

- (a) ensure that EIAs prepared under the Project assess the adequacy of the Recipient’s applicable legal and institutional framework, including applicable international environmental agreements, and ensure that the Project is implemented in compliance with all applicable legal obligations, including international obligations; and

- (b) ensure the full and meaningful disclosure of, and conduct consultations and public hearings on, the EIAs, EMPs, RAPs and other relevant documents prepared in accordance with paragraph 1 of this Part E, in accessible places and in a form, manner and language understandable to stakeholders and any Affected Persons.

3. The Recipient shall not amend or waive, or permit to be amended or waived, the Environmental and Social Safeguard Instruments, the RPF, RAPs or EMPs, or any provision thereof, without prior approval in writing by the Association.
4. The Recipient shall ensure that any inconsistency or ambiguity that may arise in the interpretation or application by the Recipient and the Project Implementing Entities of any of the documents comprising the Environmental and Social Safeguard Instruments shall be resolved in favor of the more stringent standard.
5. The Recipient shall ensure that: (i) all measures for implementing the Environmental and Social Safeguard Instruments, the RPF, RAPs and EMPs are taken in a timely manner; (ii) the Association is furnished with information on the implementation of the said measures through the Project Reports referred to in Section II.A of this Schedule, and through annual review reports prepared by EPA and furnished to the Association not later than June 30 of each year during the implementation of the Project; and (iii) any shortcomings identified in the carrying out of the said measures which may, in the opinion of EPA and/or the Association, materially or adversely affect the implementation of the Project, are promptly remedied taking into account the Association's views on the matter.

F. Sub-financings

1. General

The Recipient shall ensure that Subprojects are appraised, approved and monitored and that the Sub-financings are administered in accordance with the provisions and procedures set forth or referred to in this Part F and in more detail in the BDS Grants Manual, the RE Grants Manual, or the Solar PV Financing Manual, as the case may be.

2. Eligibility Criteria for Subprojects

No proposed Subproject shall be eligible for a Sub-financing unless the BDS Grants Manager, REA (or MOE until the establishment of REA), or ARB Apex Bank, as the case may be, has determined that the proposed Subproject satisfies the eligibility criteria set forth or referred to in the BDS Grants Manual, the RE Grants Manual or the Solar PV Financing Manual, as the case may be.

3. Appraisal and Approval of Subprojects

The Recipient shall cause the BDS Grants Manager, REA (or MOE until its establishment), or ARB Apex Bank, as the case may be, to carry out an appraisal of the compatibility of each proposed Subproject with the eligibility criteria and the technical, environmental, engineering, financial and procurement guidelines and procedures set forth in the BDS Grants Manual, the RE Grants Manual or the

Solar PV Financing Manual, as the case may be, and based on such appraisal, approve Subprojects in accordance with the guidelines and procedures set forth in the said manuals.

4. Terms and Conditions of Sub-financings

A Subproject shall be carried out pursuant to a Sub-financing Agreement, to be concluded between, on the one part, the BDS Grants Manager, REA (or MOE until its establishment) or ARB Apex Bank, as the case may be, on behalf of the Recipient, and on the other part, the relevant Beneficiary, under terms and conditions described or referred to in more detail in the BDS Grants Manual, the RE Grants Manual or the Solar PV Financing Manual, as the case may be, which, *inter alia*, shall include the following:

- (a) the description of the activities to be implemented, including the outputs and performance targets to be achieved, and the arrangements for monitoring and reporting on the implementation of the Subproject;
- (b) the obligation of the Beneficiary to contribute, as applicable, in cash and/or in-kind, a minimum percentage of the projected Subproject cost, as specified in the relevant manual;
- (c) the modalities of transfer of funds to the Beneficiary for the financing of the Subproject;
- (d) the obligation of the Beneficiary to: (A) carry out the Subproject with due diligence and efficiency and in accordance with sound technical, engineering, environmental and social safeguard, financial, and managerial practices; and (B) maintain adequate records to reflect, in accordance with sound accounting practices, the operations, resources and expenditures relating to the Subproject;
- (e) the requirement that the goods, works and consultants' services to be financed from the proceeds of the Sub-financing shall be procured in accordance with procedures ensuring efficiency and economy and in accordance with the provisions of Section III of this Schedule, and shall be used exclusively in the carrying out of the Subproject; and
- (f) the right of the BDS Grants Manager, REA (or MOE until its establishment), or ARB Apex Bank, on behalf of the Recipient, to: (i) inspect by itself, or jointly with the Association, if the Association shall so request, the goods, works, sites, plants and construction included in the Subproject, the operations thereof and any relevant records and documents; (ii) obtain all information as it, or the Association, shall

reasonably request regarding the administration, operation and financial conditions of Subproject; and (iii) suspend or terminate the right of the Beneficiary to use the proceeds of the Sub-financing upon failure by the Beneficiary to perform any of its obligations under the Sub-financing Agreement.

5. **Administration of Sub-financing Agreements**

The Recipient shall exercise its rights, and cause the BDS Grants Manager, REA (or MOE until its establishment) and ARB Apex Bank to exercise their rights under the Sub-financing Agreements in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Project, and shall not permit the BDS Grants Manager, REA (or MOE until its establishment) or ARB Apex Bank to assign, amend, abrogate or waive any Sub-financing Agreement or any provision thereof without prior approval in writing by the Association.

Section II. Project Monitoring, Reporting and 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 the indicators set forth below in sub-paragraph (b) of this paragraph. Each Project Report shall cover the period of one calendar quarter, and shall be furnished to the Association not later than one month 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:
 - (i) annual distribution losses (ECG energy sent out minus energy billed divided by energy sent out);
 - (ii) annual average hours of unplanned distribution line outage per consumer;
 - (iii) national household electrification rate;
 - (iv) tons of CO₂ emissions avoided, calculated over the estimated lifetime of renewable energy equipment installed under the Project;

- (v) ECG's Performance Verification Index (PVI) ($PVI (\%) = (\text{Total revenue collected in the year} * 100) / (\text{Total GWh bought in the year} * \text{Annual Average End User Tariff})$);
 - (vi) ECG's annual accounts receivable (excluding MDAs and the Ghana Water and Company Ltd.);
 - (vii) ECG's revenue collection rate (% of sales revenue collected);
 - (viii) the ratio of ECG's revenue over its cost;
 - (ix) number of new consumers connected through grid in Project areas; and
 - (x) number of new consumers connected through renewable energy off-grid.
2. On or about the date thirty (30) months after the Effective Date, the Recipient shall undertake in conjunction with the Association, the Co-financiers and the Project Implementing Entities a comprehensive mid-term review of the Project during which it shall exchange views generally on all matters relating to the progress of the Project, the performance by the Recipient of its obligations under this Agreement and the Co-financing Agreements and the performance by the Project Implementing Entities of their respective obligations under the Project Agreements, having regard to the performance indicators referred to in paragraph 1 (b) of this Part A.

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 Report, not later than one month 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, commencing with the Fiscal Year in which the first withdrawal under the Project Preparation Advance was made. 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 and Works.** All goods and works 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 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.
2. **Other Methods of Procurement of Goods and Works.** The following methods of procurement, other than International Competitive Bidding, may be used for goods and works in the circumstances specified in the Procurement Plan for each such method: (a) Limited International Bidding; (b) National Competitive Bidding, provided that foreign firms shall not be excluded from bidding; (c) Direct Contracting; (d) Shopping; and (e) Established Private or Commercial Practices which have been found 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 methods of procurement, other than Quality and Cost-based Selection, may be used for consultants' services in the circumstances 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; (f) Established Private or Commercial Practices which have been found acceptable to the

Association; (g) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (h) Sole Source Procedures for the Selection of Individual Consultants.

D. Review by the Association of Procurement Decisions

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

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing, 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(a) Works and goods under Parts B.1(a) and B.2(a) of the Project	23,230,000	85%
1(b) Works under Part C.1(a) of the Project	11,800,000	100%
1(c) Works, goods and consultants' services under Part C.1 (b) of the Project	3,280,000	100%
2(a) Goods under Part A.4(a) of the Project	55,000	80%
2(b) Goods and consultants' services under Part C.2(a) of the Project	1,120,000	100%
3(a) Consultants' services under Parts A.1(a), (b), (c) and (e), A.3(a), A.4(a), (b) and (c), and C.5(a) of the Project	2,940,000	100%
3(b) Consultants' services under Parts A.2(b) and B.2(a) of the Project	760,000	90%
3(c) Consultants' services under Parts C.1 (a) of the Project	530,000	100%
4(a) Training under Parts A.1 (a), (b), (c) and (e), A.3(a), A.4 and C.5(a) of the Project	450,000	100%
4(b) Training under Parts A.2(b) and B.2(a) of the Project	750,000	100%

Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(5) Solar PV Loans under Part C.4(a) of the Project	1,970,000	100% of amounts disbursed
(6) RE Grants under Parts C.2(a) and C.3 of the Project	7,410,000	100% of amounts disbursed
(7) Operating Costs under Part A.4 of the Project	150,000	80%
(8) Refund of Project Preparation Advance	660,000	Amount payable pursuant to Section 2.07 of the General Conditions
(9) Unallocated	3,995,000	
TOTAL AMOUNT	59,100,000	

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) payments made or to be made under Category 1(b), until ECG has established a separate cost center for its rural electrification business;
 - (c) Solar PV Loans under Category 5, until ARB Apex Bank has: (i) designated staff, with qualifications and terms of reference acceptable to the Association, dedicated to implement its Respective Part of the Project; and (ii) adopted the Solar PV Financing Manual, in form and substance satisfactory to the Association; and
 - (d) RE Grants under Category 6, until the Recipient has adopted the RE Grants Manual, in form and substance satisfactory to the Association.
2. The Closing Date is November 30, 2012.

Section V. Other Undertakings**A. Appointment of Financial Auditors**

The Recipient shall, and shall cause the Project Implementing Entities to, not later than six months after the Effective Date, appoint the independent auditors referred to in Section 4.09(b) of the General Conditions, in accordance with the provisions of Section III of this Schedule.

B. Procurement Audits

1. The Recipient shall, not later than six months after the Effective Date, put in place arrangements, satisfactory to the Association, including the appointment of independent procurement auditors in accordance with Section III of Schedule 2 to this Agreement, with qualifications, experience and terms of reference acceptable to the Association, for reviewing the procurement of goods, works and consultants' services financed under the Project, including the reviewing of procurement procedures and processes.
2. The Recipient shall, not later than three months after the end of each Fiscal Year or such later date as the Association may agree, furnish to the Association an audit report on the procurement of goods, works and consultants' services carried out under the Project, prepared by the said independent procurement auditors.

C. Electricity Tariff Adjustment

The Recipient shall: (i) not later than March 31, 2008, complete the cost of service and tariff study to be carried out under Part A.1 of the Project; (ii) not later than June 30, 2008, adopt an action plan, acceptable to the Association, to achieve full cost recovery electricity tariffs; and (iii) thereafter, implement the actions specified in the said action plan within the timelines specified in the plan.

D. ECG and VRA Reviews and Performance Contracts

1. Not later than March 31, 2008, the Recipient shall complete the technical and operational reviews of ECG and VRA to be carried out under Part A.1 of the Project.
2. Not later than December 31 of each year during the implementation of the Project, commencing not later than December 31, 2008, the Recipient, through MOFEP and MOE, shall enter into performance contracts with ECG and VRA, on terms and conditions acceptable to the Association.

E. Bulk Power Supply Contract

Not later than December 31, 2008, the Recipient shall ensure that VRA and ECG enter into a bulk power supply contract, on terms and conditions acceptable to the Association.

F. ECG Management Support Services

Not later than October 31, 2008, the Recipient cause ECG to appoint consultants, with qualifications and terms of reference acceptable to the Association, to provide management support services to ECG.

G. Renewable Energy Law

Not later than December 31, 2008, the Recipient shall submit to Parliament a renewable energy bill.

H. Solar PV Line of Credit

Except as the Association shall agree otherwise, the Recipient shall cause ARB Apex Bank to deposit all repayments of the principal amounts of Solar PV Loans extended through the revolving line of credit facility established under Part C.4(a) of the Project, for the purpose of providing additional consumer credits and/or grants for solar PV systems in accordance with the provisions of the Solar PV Financing Manual.

SCHEDULE 3**Repayment Schedule**

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each January 15 and July 15:	
commencing January 15, 2018 to and including July 15, 2027	1%
commencing January 15, 2028 to and including July 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. “ACGF” means the Africa Catalytic Growth Fund administered by the Association.
2. “AfDF” means the African Development Fund.
3. “Affected Persons” means persons who, on account of the execution of the Project had or would have their: (i) standard of living adversely affected; or (ii) right, title, interest in any house, land (including premises, agricultural and grazing land) or any other fixed or movable asset acquired or possessed, temporarily or permanently; or (iii) access to productive assets adversely affected, temporarily or permanently; or (iv) business, occupation, work or place of residence or habitat adversely affected.
4. “Annual Work Plan and Budget” means the work plan and budget referred to in Section I.D of Schedule 2 to this Agreement
5. “ARB Apex Bank” means ARB Apex Bank Limited established through incorporation under the Recipient’s Companies Code, 1963 (Act 179).
6. “Beneficiary” means an eligible public or private sector entity which has received a Sub-financing in accordance with the provisions of Section I.F of Schedule 2 to this Agreement.
7. “BDS Grant” means a business development services grant made or to be made out of the proceeds of the Co-financing from the GEF for the purpose of financing Eligible Expenditures required for a BDS Subproject in accordance with the provisions of Section I.F of Schedule 2 to this Agreement.
8. “BDS Grants Manager” means a firm or individuals to be recruited by the Recipient in accordance with the provisions of Section I.3 of Schedule 4 to the Development Credit Agreement for the Micro, Small and Medium Size Enterprise Project (IDA Credit No.4139-GH) to assist the Recipient in managing the BDS Grants.
9. “BDS Grants Manual” means the manual referred to in Section I.C.1(b) of Schedule 2 to this Agreement.
10. “BDS Subproject” means a set of specific activities carried out or to be carried out by a Beneficiary under Part C.5(c) of the Project and financed or to be financed out of the proceeds of the Co-financing from the GEF through a Sub-financing.

11. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
12. “Co-financier” means, with reference to paragraph 10 of the Appendix to the General Conditions, any of the following co-financiers: (i) the AfDF; (ii) Switzerland; (iii) the Association acting as an administrator of the ACGF; (iv) IBRD acting as an implementing agency of the GEF; and (v) the Association acting as an administrator of the GPOBA.
13. “Co-financing” means an amount to be provided by each Co-financier to assist in the financing of the Project, as follows: (i) \$18.25 million from the AfDF; (ii) \$11 million from Switzerland; (iii) \$50 million from the ACGF; (iv) \$5.5 million from the GEF; and (v) \$6.25 from the GPOBA.
14. “Co-financing Agreement” means the agreement to be entered into between the Recipient and the relevant Co-financier providing for the Co-financing to be extended by such Co-financier.
15. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004.
16. “EC” means the Recipient’s Energy Commission.
17. “ECG” means the Electricity Company of Ghana Limited.
18. “Environmental Impact Assessments” or “EIAs” means the assessments of potential environmental and social impacts to be prepared by the Recipient and the Project Implementing Entities for Project activities in accordance with Section I.E.1(b) of Schedule 2 to this Agreement and the Environmental and Social Safeguard Instruments.
19. “Environmental Management Plans” or “EMPs” means the plans to be prepared by the Recipient and the Project Implementing Entities in accordance with Section I.E.1(b) of Schedule 2 to this Agreement and the Environmental and Social Safeguard Instruments, defining details of measures to manage potential environmental risks and mitigate, reduce and/or offset adverse environmental impacts associated with the implementation of Project activities, together with adequate institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with, its terms.
20. “Environmental and Social Safeguard Instruments” means the following instruments, as the said instruments may be modified and/or supplemented from time to time with prior approval in writing by the Association: (a) the “Protocol for Compliance with World Bank Requirements” prepared by MOE and endorsed by ECG, MOE and VRA in March 2007 to ensure compliance with World Bank

Operational Policies 4.04 Natural Habitats and 4.37 Safety of Dams in the planning, environmental assessment, design and implementation of Project activities; (b) the Environmental Assessment Regulations adopted under Legislative Instrument (L.I.) 1652, promulgated by the Recipient in 1999; (c) the “Environmental Impact Assessment Procedures” issued by EPA in 1995; (d) the “Sector Specific Guidelines for Environmental Impact Assessments” to be adopted by EPA for the energy sector in accordance with Section 5.01 (e) of this Agreement; (e) the “Environmental and Social Policy Framework for Captive Generation and Rural Electrification” of MOE dated March 2007; (f) the “Environmental and Social Policy Framework for Electricity Distribution” of ECG dated March 2007; and (g) the “Policy Framework for Environmental and Social Management of Bulk Transmission Line Projects in Ghana” of VRA dated March 2007.

21. “EPA” means the Recipient’s Environmental Protection Agency.
22. “Fiscal Year” means the Recipient’s fiscal year commencing January 1 and ending December 31 of each year.
23. “GEF” means the Global Environment Facility.
24. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005.
25. “GPOBA” means the Global Partnership on Output Based Aid trust fund administered by the Association.
26. “MDAs” means the Recipient’s ministries, departments and agencies.
27. “MOE” means the Recipient’s Ministry of Energy.
28. “MOFEP” means the Recipient’s Ministry of Finance and Economic Planning.
29. “Operating Costs” means the operating costs incurred on account of the implementation of the Project including maintenance of vehicles, fuel, equipment, office supplies, utilities, consumables, bank charges, advertising expenses, travel, per diems, and accommodation, but excluding salaries of civil and public servants.
30. “Operational Manuals” or “OMs” means, collectively, the Project Implementation Plans, the BDS Grants Manual, the RE Grants Manual and the Solar PV Financing Manual.
31. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004.

32. "Procurement Plan" means the Recipient's procurement plan for the Project, dated June 1, 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.
33. "Program" means the program set out in the letters from the Recipient to the Association dated May 17, 2007 and May 22, 2007, describing a set of objectives, policies and actions for the development of the Recipient's energy sector, and declaring the Recipient's commitment to the execution of the Program.
34. "Project Agreement" means, with reference to paragraph 39 of the Appendix to the General Conditions, the Project Agreement of the same date as this Agreement between the Association and ARB Apex Bank, ECG and VRA, respectively; and "Project Agreements" means, collectively, all such agreements.
35. "Project Implementation Plan" means any of the plans referred to in Section I.C.1(a) of Schedule 2 to this Agreement; and "Project Implementation Plans" means, collectively, all such plans.
36. "Project Implementing Entity" means ARB Apex Bank, ECG or VRA, as the case may be; and "Project Implementing Entities" means, collectively, all such entities.
37. "Project Implementing Entity's Legislation" means: (a) the Volta River Authority Act, 1961, including any legal or regulatory enactments upon which such instrument is based, or any licenses granted to VRA related to the Project, all as in force on the date of this Agreement; (b) the Companies Code, 1963 (Act 179) Regulations of the Electricity Company of Ghana Limited, including any legal or regulatory enactments upon which such instrument is based, or any licenses granted to ECG related to the Project, all as in force on the date of this Agreement; or (c) the ARB Apex Bank Limited Regulations, 2006 (L.I. 1825), including any legal or regulatory enactments upon which such instrument is based, or any licenses granted to ARB Apex Bank related to the Project, all as in force on the date of this Agreement.
38. "Project Preparation Advance" means the advance referred to in Section 2.07 of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association on February 7, 2006 and on behalf of the Recipient on February 16, 2006.
39. "Project Steering Committee" means the committee referred to in Section I.B.1 of Schedule 2 to this Agreement.
40. "PURC" means the Recipient's Public Utilities Regulatory Commission.

41. “REA” means the Rural Electrification Agency to be established by the Recipient in accordance with Section I.B.3 of Schedule 2 to this Agreement.
42. “RE Grant” means a grant made or to be made out of the proceeds of the Financing, or the Co-financing from ACGF or Switzerland, as the case may be, for the purpose of financing Eligible Expenditures required for a RE Subproject in accordance with the provisions of Section I.F of Schedule 2 to this Agreement.
43. “RE Grants Manual” means the manual referred to in Section I.C.1(c) of Schedule 2 to this Agreement.
44. “RE Subproject” means a set of specific activities carried out or to be carried out by a Beneficiary under Parts C.2 or C3 of the Project and financed or to be financed out of the proceeds of the Financing or the Co-financings from the ACGF or Switzerland, as the case may be, through a Sub-financing.
45. “Resettlement Action Plans” or “RAPs” means the resettlement action plans to be prepared by the Recipient and the Project Implementing Entities in accordance with Section I.E.1(a) of Schedule 2 to this Agreement and the RPF, containing, inter alia, a program of actions, measures and policies for compensation and resettlement of Affected Persons, including the magnitude of displacement, compensation and resettlement arrangements, budget and cost estimates, and sources of funding, together with adequate institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with its terms.
46. “Resettlement Policy Framework” or “RPF” means the framework of the Recipient dated February 2007 and revised in May 2007, as the said framework may be amended and/or supplemented from time to time with prior approval in writing by the Association, setting forth resettlement procedures, institutional arrangements, eligibility criteria, entitlements and compensation, including valuation procedures, budget, public consultation and participation, monitoring and evaluation and disclosure.
47. “Rural Electrification Fund” or “REF” means the Rural Electrification Fund to be established and operated under Parts C.2 and C.3 of the Project in accordance with the provisions of Section I.B.3 of Schedule 2 to this Agreement.
48. “Solar PV” means solar photovoltaic systems to be installed and operated in rural areas under Part C.4 of the Project.
49. “Solar PV Financing Manual” means the manual referred to in Section I.C.1(d) of Schedule 2 to this Agreement.

50. “Solar PV Grant” means a grant made or to be made out of the proceeds of the Co-financings from the GPOBA for the purpose of financing Eligible Expenditures required for a Solar PV Subproject in accordance with the provisions of Section I.F of Schedule 2 to this Agreement.
51. “Solar PV Loan” means a loan made or to be made out of the proceeds of the Financing for the purpose of financing Eligible Expenditures required for a Solar PV Subproject in accordance with the provisions of Section I.F of Schedule 2 to this Agreement.
52. “Solar PV Subproject” means a set of specific activities carried out or to be carried out by a Beneficiary under Part C.4 of the Project and financed or to be financed out of the proceeds of the Financing or the Co-financing from the GPOBA, as the case may be, through a Sub-financing.
53. “Sub-financing” means a BDS Grant, an RE Grant, a Solar PV Grant, or a Solar PV Loan; and “Sub-financings” means, collectively, all such grants and loans.
54. “Sub-financing Agreement” means an agreement concluded or to be concluded between, on the one part, the BDS Grants Manager, REA (or MOE until its establishment), or ARB Apex Bank, as the case may be, on behalf of the Recipient, and on the other part, a Beneficiary, for the purpose of extending a Sub-financing to such Beneficiary on the terms and conditions set forth or referred to in Section I.F.4 of Schedule 2 to this Agreement.
55. “Subproject” means a BDS Subproject, an RE Subproject, or a Solar PV Subproject; and “Subprojects” means, collectively, all such subprojects.
56. “Subsidiary Agreements” means the agreements referred to in Section I.A of Schedule 2 to this Agreement pursuant to which the Recipient shall make part of the proceeds of the Financing available to the Project Implementing Entities.
57. “Training” means the costs associated with the training and workshop participation of personnel involved in Project supported activities including travel and subsistence costs for training and workshop participants, costs associated with securing the services of trainers and workshop speakers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training course and workshop preparation and implementation.
58. “VRA” means the Volta River Authority.