



GRANT NUMBER E024-KI

Financing Agreement

(South Tarawa Sanitation Project)

between

REPUBLIC OF KIRIBATI

and

INTERNATIONAL DEVELOPMENT ASSOCIATION



GRANT NUMBER E024-KI

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between REPUBLIC OF KIRIBATI (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form 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 a grant, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to fourteen million and one hundred thousand Special Drawing Rights (SDR 14,100,000 (“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 III of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.
- 2.04. The Payment Dates are May 1 and November 1 in each year.
- 2.05. The Payment Currency is Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through Ministry of Infrastructure and

Sustainable Energy (“MISE”), in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

4.01. The Additional Event of Suspension consists of the following:

The PUB Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of PUB to perform any of its obligations under the Cooperation Agreement.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Effectiveness Deadline is the date (ninety) 90 days after the Signature Date.

5.02. For purposes of Section 10.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the Signature Date.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient’s Representative is the Minister at the time responsible for finance.

6.02. For purposes of Section 11.01 of the General Conditions:

(a) the Recipient’s address is:

Ministry of Finance and Economic Development
P.O. Box 67
Bairiki,
Tarawa
Republic of Kiribati; and

(b) the Recipient’s Electronic Address is:

E-mail: hon.vicepresident@mfep.gov.ki

6.03. For purposes of Section 11.01 of the General Conditions:

(a) the Association's address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and

(b) the Association's Electronic Address is:

Telex:	Facsimile:	E-mail:
248423 (MCI)	1-202-477-6391	cdpngpacific@worldbank.org

AGREED as of the Signature Date.

REPUBLIC OF KIRIBATI

By

Hon. Dr. Teuea Toatu

Authorized Representative

Hon. Dr. Teuea Toatu

Name: _____

Title: Vice President & Minister of Finance

Date: 13-Jun-2022

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Stephen Ndegwa

Name: _____

Title: Country Director, PNG & Pacific Islands

Date: 08-Jun-2022

SCHEDULE 1

Project Description

The objective of the Project is to increase access to improved sanitation in Selected Areas of South Tarawa and to strengthen related institutions.

The Project consists of the following parts:

Part 1: Investments for Improved Sanitation Access and Liquid Waste Management

- 1.1 (a) Supporting the sewer connection of all unconnected households, schools and healthcare centers in the sewerred areas of the Selected Towns, and providing associated sanitation infrastructure; (b) constructing toilets for households still lacking sanitation access in the Selected Towns; (c) carrying out an unexploded ordinances (UXO) survey in selected areas of Betio; (d) providing screens for removal of gross pollutants in Bikenibeu and Bairiki; and (e) providing equipment to PUB for sewerage and salt water systems maintenance.
- 1.2 (a) Supporting the construction of climate-resilient on-site sanitation systems in the Selected Villages, including, *inter alia*, construction of communal toilet blocks and household individual toilets; (b) providing equipment to the Selected Councils for the maintenance of communal toilets; and (c) providing equipment to PUB to strengthen its capacity for fecal sludge management.

Part 2: Operation and Maintenance, Institutional Strengthening and Sector Improvement

- 2.1 Providing support for O&M of the sanitation infrastructure, including, *inter alia*: (a) technical assistance and capacity building to PUB through support for O&M of sewer and salt water systems, outfalls and fecal sludge management; (b) support for a tariff framework review and O&M cost recovery improvement to sustain the sanitation operations of PUB; (c) support to MISE and Selected Councils to monitor and manage onsite sanitation systems and O&M of communal toilets; and (d) training and capacity building of stakeholders.
- 2.2 (a) Providing support for institutional strengthening, through, *inter alia*: review of institutional arrangements, capacities, coordination and partnerships, and building capacity through training and international learning visits; (b) providing support for sector monitoring and regulation in coordination with the Recipient's relevant ministries, through, *inter alia*: establishment of adequate monitoring and evaluation systems and practices, including for water quality monitoring; and (c) supporting selected sector assessments for improving sustainability of sector interventions.

Part 3: Community Engagement and Support

Carrying out community engagement activities, including, *inter alia*: promoting community awareness on water, sanitation and hygiene; promoting involvement, ownership and behavior change to adopt new practices to enhance sanitation outcomes; and regular community perception and feedback gathering.

Part 4: Project Management

Providing technical and operational support to MISE and the PMU, for carrying out Project management tasks, reviewing on-site sanitation design standards and building codes, Project audits and baseline, mid-term, and end line assessments, establishing and managing grievance redressal systems, and coordinating ongoing community feedback.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

Ministry of Infrastructure and Sustainable Energy

1. The Recipient shall vest in MISE the overall responsibility for the coordination and implementation of the Project.

National Water and Sanitation Steering Committee

2. The Recipient shall maintain, until the completion of the Project, the National Water and Sanitation Steering Committee (“NWSSC”), which shall: (a) be chaired by the Secretary of MISE (or their representative), and comprise of, *inter alia*, the Secretaries (or their representatives) of the Ministry of Environment, Land and Agricultural Development (“MELAD”), Ministry of Health and Medical Services (“MHMS”), Ministry of Education (“MOE”), Ministry of Finance and Economic Development (“MFED”), Ministry of Internal and Affairs (“MIA”), and representatives of PUB; and (b) be responsible for providing general oversight, coordination as well as strategic direction and guidance of the Project implementation, all as further detailed in the Project Operations Manual.

Project Management Unit

3. The Recipient shall establish and maintain a Project Management Unit (“PMU”) in MISE, responsible for the management and monitoring of the Project, including procurement, financial management and auditing, safeguards, monitoring and evaluation, and reporting.
4. Without limitation to the foregoing, the Recipient shall: (a) no later than three (3) months from the Effective Date, recruit and thereafter retain in the PMU a Project manager with qualifications, experience and under the terms of reference acceptable to the Association; and (b) ensure that the PMU is supported by the Kiribati Fiduciary Services Unit (“KFSU”), on procurement, environmental and social, and financial management and accounting functions and arrangements under the project, all as further detailed in the Project Operations Manual.

Cooperation Agreement

5. The Recipient through MISE shall enter into a Cooperation Agreement with the PUB, under terms and conditions acceptable to the Association, as set forth in the

POM and pursuant to the respective template agreement prescribed in the POM, which agreement shall provide, *inter alia*, the respective roles and responsibilities of MISE and PUB regarding implementation of Parts 1.1, 1.2(c), 2.1(a) and 2.1(b) of the Project, including on: (i) delegation of procurement functions for relevant activities under the Project and cooperation in procurement activities; (ii) handover of assets; (iii) O&M of relevant assets; (iv) record keeping, including financial reporting; (v) supervision of activities; and (vi) right of the Recipient, through MISE, to suspend or terminate activities under Parts 1.1, 1.2(c), 2.1(a) and 2.1(b) of the Project upon any failure of the PUB to perform its obligations under the Cooperation Agreement.

6. The Recipient through MISE shall exercise its rights under the Cooperation Agreement in such manner as to protect the interests of the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree in writing, the Recipient shall not, assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the Cooperation Agreement or any of its provisions.
7. In the event of any conflict between the provisions of the Cooperation Agreement and the provisions of this Agreement, the provisions of this Agreement shall prevail.

Memorandum of Agreement

8. To facilitate the carrying out of the Project, the Recipient shall ensure that by not later than six (6) months after the Effective Date (or such other date as may be agreed with the Association in writing), the following memoranda of agreement (each a “Memorandum of Agreement” or “MOA”), each satisfactory to the Association, are entered into:
 - (a) an MOA between MISE, MIA, the Betio Town Council and the Teinainano Urban Council;
 - (b) an MOA between MISE and MHMS;
 - (c) an MOA between MISE and MOE; and
 - (d) an MOA between MISE and MELAD;

each setting forth, *inter alia*, the objectives, scope and details of the cooperation, roles and responsibilities, expected achievements and relevant timelines of each respective party for the purposes of facilitating the implementation of the Project.

9. The Recipient, through MISE, shall carry out and exercise its respective rights under each MOA 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 any of the MOAs or any of their provisions.

10. In case of a conflict between the provisions of an MOA, the Project Operations Manual and this Agreement, those of this Agreement and the Project Operations Manual shall prevail, in that order of priority.

B. Project Operations Manual

1. By not later than one (1) month after the Effective Date, or such other date which the Association has confirmed in writing to the Recipient is acceptable to the Association, the Recipient shall:
 - (a) prepare a manual, in form and substance satisfactory to the Association, which shall set forth, *inter alia*, the following detailed arrangements and procedures for the implementation of the Project: (i) implementation arrangements, including roles and responsibilities between responsible ministries, Selected Councils, NWSSC, and PUB; (ii) procurement procedures and standard procurement documentation; (iii) reporting requirements, financial management procedures and audit procedures; (iv) Project performance indicators; (v) arrangement and procedures for the management of environmental and social aspects; (vi) budgeting and disbursement guidelines; (vii) monitoring and evaluation arrangements, including on water quality monitoring; (viii) procedures, relevant terms of reference, and detailed requirements for the UXO survey to be carried out under Part 1.1(c) of the Project; (ix) detailed requirements and guidelines on community participation; (x) cost recovery targets and guidelines for PUB; (xi) a template Cooperation Agreement and template MOA(s); (xii) criteria and procedures for the selection of system strengthening activities and assessments under Part 2.2 of the Project; and (xiii) any other administrative, financial, technical and organizational arrangements and procedures as shall be necessary for the implementation of the Project and the achievement of its development objectives;
 - (b) furnish to, and exchange views with the Association on such manual promptly upon its preparation; and
 - (c) adopt such manual as shall have been accepted by the Association (“Project Operations Manual” or “POM”).
2. The Recipient shall thereafter implement the Project in accordance with the Project Operations Manual, and except as the Association shall otherwise agree in writing, the Recipient shall not amend, suspend, abrogate, repeal or waive any provisions of the Project Operations Manual.

3. In the event of any conflict between the provisions of the Project Operations Manual and those of this Agreement, the provisions of this Agreement shall prevail.

C. Annual Work Plans and Budgets

1. The Recipient shall prepare and furnish to the Association, by not later than three (3) months after the Effective Date and January 1 of each subsequent year during the implementation of the Project (or such other interval or date as the Association may agree), for the Association's review and no-objection, an Annual Work Plan and Budget, which shall, *inter alia*: (a) list all activities (including Operating Costs and Trainings and Workshops) proposed to be included in the Project in the Recipient's following fiscal year; (b) provide a budget for their financing (with a financial plan specifying all sources of financing including the Financing, and any other resources provided by the Recipient); and (c) describe the environmental and social safeguard measures taken or planned to be taken in accordance with the provisions of Section I.D of this Schedule 2.
2. The Recipient shall ensure that the Project is implemented in accordance with the Annual Work Plans and Budgets accepted by the Association for the Recipient's respective fiscal year; provided, however, that in the event of any conflict between the Annual Work Plans and Budgets and the provisions of this Agreement, the provisions of this Agreement shall prevail.
3. The Recipient shall not make or allow to be made any change to the Annual Work Plans and Budgets, unless the Association has provided its prior no-objection thereof in writing.

D. Environmental and Social Standards.

1. The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.
2. Without limitation upon paragraph 1 above, the Recipient shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan ("ESCP"), in a manner acceptable to the Association. To this end, the Recipient shall ensure that:
 - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;
 - (b) sufficient funds are available to cover the costs of implementing the ESCP;
 - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and

- (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Association shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
- 3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- 4. The Recipient shall ensure that:
 - (a) all measures necessary are taken to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Association, setting out, inter alia: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
 - (b) the Association is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
- 5. The Recipient shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Association.
- 6. The Recipient shall ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, subcontractors and supervising entities to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

Section II. Project Monitoring, Reporting and Evaluation

1. The Recipient shall furnish to the Association each Project Report not later than one (1) month after the end of each calendar quarter, covering the calendar quarter.

Mid-Term Review

2. The Recipient shall carry out, jointly with the Association, not later than three (3) years after the Effective Date, or such other period as may be agreed with the Association, a mid-term review of the Project (“Mid-Term Review”) to assess the status of Project implementation, as measured against Project indicators acceptable to the Association, and compliance with the legal covenants included or referred to in this Agreement. Such review shall include an assessment of the following: (a) overall progress in implementation; (b) results of monitoring and evaluation activities; (c) progress on procurement and disbursement; (d) progress on implementation of safeguards measures; (e) implementation arrangements and Project staff turnover; and (f) the need to make any adjustments to the Project to improve performance. To this end, the Recipient shall:
 - (i) prepare and furnish to the Association, at least one (1) month before the date of the Mid-Term Review, a report, in scope and detail satisfactory to the Association and integrating the results of the monitoring and evaluation activities performed pursuant to Section II.1 of this Schedule 2 and the General Conditions, on the progress achieved in the carrying out of the Project during the period preceding the date of such report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives thereof; and
 - (ii) review, jointly with the Association, the report referred to in the preceding paragraph and thereafter take all measures required to ensure the efficient completion of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of such report and the Association’s views on the matter.

Section III. Withdrawal of the Proceeds of the Financing

A. General

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to: (a) finance Eligible Expenditures; and (b) repay the Preparation Advance; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Grant Allocated (Expressed in SDR)	Percentage of Expenditures to be Financed (Inclusive of Taxes)
(1) Goods, works, consulting services, non-consulting services, Training and Workshops, and Operating Costs for Parts 1.1, 1.2(c), 2.1(a), and 2.1(b) of the Project	5,670,000	100%
(2) Goods, works, consulting services, non-consulting services, Training and Workshops, and Operating Costs for Parts 1.2(a), 1.2(b), 2.1(c), 2.1(d), 2.2, 3 and 4 of the Project	8,060,000	100%
(3) Refund of Preparation Advance	370,000	Amount payable pursuant to Section 2.07 (a) of the General Conditions
TOTAL AMOUNT	14,100,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:
 - (a) for payments made prior to the Signature Date; or
 - (b) under Category (1) unless and until the Recipient has entered into a Cooperation Agreement with PUB in form and substance satisfactory to the Association.
2. The Closing Date is May 31, 2028.

Section IV. Other Undertakings

1. Without limitation to the provisions of Section 5.03 of the General Conditions, the Recipient shall ensure, until the completion of the Project, that its Cabinet issues a resolution on an annual basis to allocate sufficient budget or subsidy to meet any

funding shortfalls for the operations and maintenance of the PUB sewerage and salt water system assets.

2. The Recipient shall undertake a study, under the terms of reference acceptable to the Association, to review sewerage tariffs of PUB (including a focus on affordability aspects) and furnish the completed study to the Association by not later than twelve (12) months after the Effective Date.

APPENDIX

Definitions

1. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.
2. “Annual Work Plan and Budget” means each annual work plan and budget for the implementation of the Project approved by the Association, referred to in Section I.C of Schedule 2 to this Agreement; and “Annual Work Plans and Budgets” means, collectively, all such plans and budgets.
3. “Betio Town Council” or “BTC” means the Recipient’s Betio Town Council, which is the council for the Recipient’s town of Betio, within the MIA’s Local Government Division, established by and acting pursuant to the Recipient’s Local Government Act (No. 2 of 1984).
4. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
5. “Cooperation Agreement” means the agreement to be executed between MISE and PUB, referred to under Section I.A.5 of Schedule 2 to the Agreement, and in accordance with the provisions of the POM.
6. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated April 8, 2022, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
7. “Environmental and Social Standards” or “ESSs” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural

Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; and (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Association.

8. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018 (revised on August 1, 2020, April 1, 2021, and January 1, 2022).
9. “Kiribati Fiduciary Services Unit” and its acronym “KFSU” mean the Kiribati Fiduciary Services Unit established by the Recipient within the Ministry of Finance and Economic Development.
10. “Memorandum of Agreement” or “MOA” means any of the memoranda of agreement referred to under Section I.A.8 of Schedule 2 to this Agreement, as the context may require.
11. “Mid-Term Review” means a mid-term review of the Project referred to in Section II.2 of Schedule 2 to this Agreement.
12. “Ministry of Education” and its acronym “MOE” means the Recipient’s Ministry of Education, or any successor thereto.
13. “Ministry of Environment, Land and Agricultural Development” and its acronym “MELAD” means the Recipient’s Ministry of Environment, Land and Agricultural Development, or any successor thereto.
14. “Ministry of Finance and Economic Development” and its acronym “MFED” means the Recipient’s Ministry of Finance and Economic Development, or any successor thereto.
15. “Ministry of Health and Medical Services” and its acronym “MHMS” means the Recipient’s Ministry of Health and Medical Services, or any successor thereto.
16. “Ministry of Infrastructure and Sustainable Energy” and its acronym “MISE” means the Recipient’s Ministry of Infrastructure and Sustainable Energy, or any successor thereto.
17. “Ministry of Internal Affairs” and its acronym “MIA” means the Recipient’s Ministry of Internal Affairs, or any successor thereto.

18. “National Water and Sanitation Steering Committee” and its acronym “NWSSC” means the committee established by the Recipient to coordinate water and sanitation projects in the Recipient’s territory.
19. “O&M” means operations and maintenance.
20. “Operating Costs” means reasonable expenditures incurred by the Recipient on account of Project implementation and management (which expenditures would not have been incurred absent of the Project) and included in the Annual Work Plans and Budgets accepted ex-ante by the Association, including the Recipient’s staff travel costs, allowances, costs of vehicle rental, fuel and maintenance, bank charges, communications costs, office supplies and equipment, office rental fees, advertising expenses, utilities and consumables required for holding meetings related to the Project, but excluding all salaries, fees, honoraria, bonuses and any other salary supplements of civil servants of the Recipient.
21. “Preparation Advance” means the portion of the advance referred to in Section 2.07 (a) of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association on May 7, 2018 and on behalf of the Recipient on May 25, 2018, and as amended on June 15, 2020.
22. “Procurement Regulations” means, for purposes of paragraph 85 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated November 2020.
23. “Project Management Unit” and its acronym “PMU” means the unit to be established and maintained by the Recipient within the Ministry of Infrastructure and Sustainable Energy pursuant to Section I.A.3 of Schedule 2 to this Agreement.
24. “Project Operations Manual” means the manual to be adopted by the Recipient pursuant to the provisions of Section I.B of Schedule 2 to this Agreement, as such manual may be updated from time to time with the prior written approval of the Association.
25. “PUB Legislation” means the Recipient’s Public Utilities Ordinance (CAP 83) and the State-Owned Enterprises Act 2013, as such acts may be amended from time to time.
26. “Public Utilities Board” and the acronym “PUB” mean the Recipient’s public utilities board, established and operating pursuant to the PUB Legislation.
27. “Selected Areas” means, collectively, the Selected Towns and the Selected Villages.

28. “Selected Councils” means, collectively, BTC and TUC.
29. “Selected Towns” means, collectively, the Recipient’s towns of Betio, Bairiki, and Bikenibeu.
30. “Selected Villages” means the Recipient’s villages of Nanikai, Teoraereke West, Ananau Causeway and Abarao.
31. “Signature Date” means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to “the date of the Financing Agreement” in the General Conditions.
32. “Teinainano Urban Council” or “TUC” means the Recipient’s Teinainano Urban Council, which is the council for the Recipient’s towns of Bikenibeu and Bairiki, and the Selected Villages, within the MIA’s Local Government Division, established by and acting pursuant to the Recipient’s Local Government Act (No. 2 of 1984).
33. “Training and Workshops” means the reasonable costs incurred by the Recipient, and included in the Annual Work Plans and Budgets accepted ex-ante by the Association, for trainings and workshops carried out under the Project, including purchase, translation and publication of materials, rental of facilities, course fees, workshop supplies, rental of equipment, reasonable honorarium/stipend of resource persons, and travel, accommodation and subsistence of participants, but excluding fees of consultants.
34. “UXO” means unexploded ordinances.