

CONFORMED COPY

CTF LOAN NUMBER TF010916

Clean Technology Fund Loan Agreement

(Ouarzazate I Concentrated Solar Power Plant Project)

between

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT
acting as an implementing entity of the Clean Technology Fund**

and

MOROCCAN AGENCY FOR SOLAR ENERGY

Dated December 7, 2011

CTF LOAN NUMBER TF010916

CLEAN TECHNOLOGY FUND LOAN AGREEMENT

AGREEMENT dated December 7, 2011, entered into between:

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“World Bank”), acting not in its individual capacity but solely in its capacity as an implementing entity of the Clean Technology Fund (“CTF”), and MOROCCAN AGENCY FOR SOLAR ENERGY (“Borrower”).

WHEREAS: (A) Kingdom of Morocco (the Guarantor) and the Borrower, having been satisfied as to the feasibility and priority of the Project described in Schedule 1 to this Agreement, have requested the World Bank to assist in the financing of Part A.1 of the Project;

(B) by an agreement (the CTF Guarantee Agreement) of even date herewith between the Guarantor and the World Bank, the Guarantor has agreed to guarantee the Loan Payment obligations of the Borrower in respect of the Loan;

(C) by an agreement of even date herewith (the IBRD Loan Agreement), the World Bank has agreed to make a loan (the IBRD Loan) to the Borrower in the amount of one hundred ten million and nine hundred thousand Euro (€110,900,000) and forty million Dollars (\$40,000,000) to assist in financing of Part 2 of the Project;

(D) by an agreement (IBRD Guarantee Agreement) of even date herewith between the Guarantor and the World Bank, the Guarantor has agreed to guarantee the Loan Payments obligations of the Borrower in respect of the IBRD Loan; and

WHEREAS the World Bank has agreed, on the basis, *inter alia*, of the foregoing, to extend the Loan to the Borrower upon the terms and conditions set forth in this Agreement;

The World Bank and the Borrower hereby agree as follows:

Article I
Standard Conditions; Definitions

- 1.01. The Standard 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 Standard Conditions or in the Appendix to this Agreement.

Article II
Loan

- 2.01. The World Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of ninety seven million United States Dollars (\$97,000,000) (“Loan”), to assist in financing Part 1.A of the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Loan is funded out of the resources made available to the World Bank as an implementing entity of the CTF. In accordance with Section 3.02 of the Standard Conditions, the Borrower may withdraw the Loan proceeds subject to the availability of such funds.
- 2.04. The Management Fee payable by the Borrower, pursuant to Section 4.01(a) of the Standard Conditions, shall be equal to one-fourths of one percent (1/4 of 1%) of the Loan.
- 2.05. The Service Charge payable by the Borrower on the Withdrawn Loan Balance shall be equal to one-fourths of one percent (1/4 of 1%) per annum.
- 2.06. The Payment Dates are June 15 and December 15 in each year.
- 2.07. The principal amount of the Loan shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.08. The Payment Currency is USD.

Article III
The Project

- 3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall: (i) cause Part 1. A of the Project to be carried out by the Project Implementing Entity and carry Part 1.B of the Project in accordance with the provisions of Article II of the Standard Conditions; and (ii) cause the Project Implementing Entity to provide promptly as needed, the funds, facilities, services and other resources required for Part 1.A of the Project.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the World Bank shall otherwise agree, the Borrower shall ensure that Part 1.A of the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

Article IV
Additional Remedies

- 4.01. The Additional Events of Suspension consist of the following:
- (a) The Basic Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Borrower to perform any of its obligations under this Agreement, or to achieve the objectives of the Project.
 - (b) The Conventions have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Borrower and/or the Project Implementing Entity to perform any of their obligations under this Agreement, or to achieve the objectives of the Project.
 - (c) Any party to any of the Conventions or any of the agreements referred to in Sections 5.01 (f), 5.01 (i) and 5.01(j) below has: (i) failed to perform any of its obligations under any of such Conventions or agreements and such default has affected materially and adversely the ability of the Borrower and/or the Project Implementing Entity to perform any of their obligations under this Agreement, or to achieve the objectives of the Project; or (ii) terminated any of the Conventions or any of such agreements and such termination has affected materially and adversely the ability of the Borrower and/or the Project Implementing Entity to perform any of their obligations under this Agreement, or to achieve the objectives of the Project.
- 4.02. The Additional Events of Acceleration consist of the following:
- (a) Any event specified in paragraphs (a) and (b) of Section 4.01 of this Agreement occurs.
 - (b) The event specified in paragraph (c) 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 World Bank to the Borrower.

Article V
Effectiveness; Termination

- 5.01. The Additional Conditions of Effectiveness consist of the following:

- (a) The Project Implementing Entity has been legally established in a manner satisfactory to the World Bank.
- (b) MASEN Capital has been legally established in a manner satisfactory to the World Bank.
- (c) The Borrower and the Project Implementing Entity have established an accounting and financial management system satisfactory to the World Bank.
- (d) The Borrower and the Project Implementing Entity have adopted the Financial Management and Disbursement Manual, satisfactory to the World Bank and the Co-financiers.
- (e) The Borrower and the Project Implementing Entity have adopted the Governance Framework, satisfactory to the World Bank.
- (f) The Subsidiary Loan Agreements have been executed on behalf of the Borrower and the Project Implementing Entity and all conditions precedent to their effectiveness and to the right of the Project Implementing Entity to make withdrawals under them (other than the effectiveness of this Agreement) have been satisfied or waived.
- (g) The IBRD Loan Agreement has been executed and delivered and all conditions precedent to its effectiveness and to the right of the Borrower to make withdrawals under it (other than the effectiveness of this Agreement) have been satisfied or waived.
- (h) The Borrower and the Kingdom of Morocco have entered into the Project Specific Convention.
- (i) Execution and satisfaction of all conditions precedent to the effectiveness and, to the extent applicable, to the right of the Borrower to make withdrawals under them (other than the effectiveness of this Agreement), of all the following agreements:
 - 1. the AFD Co-financing Agreement;
 - 2. the AfDB Co-financing Agreements;

3. the EC Co-financing Agreement
 4. the EIB Co-financing Agreement; and
 5. the KfW Co-financing Agreements.
- (j) Execution and satisfaction of all conditions precedent to the effectiveness and, to the extent applicable, to the right of the Borrower or of the Project Implementing Entity to make withdrawals under them (other than the effectiveness of this Agreement), of all other agreements, to be found satisfactory by the World Bank in form and substance within reasonable time, required to finance, construct, own, and operate the Plant, including, but not limited to:
1. the EPC Contract;
 2. the Operation and Maintenance Agreement;
 3. the Power Purchase Agreement;
 4. the Power Sale Agreement;
 5. the Shareholders' Agreement;
 6. the Transmission Interconnection Agreement; and
 7. the Grid Access Agreement.

5.02. The Additional Legal Matters consist of the following:

- (a) The Subsidiary Loan Agreements have been duly authorized or ratified by the Borrower and the Project Implementing Entity and are legally binding upon the Borrower and the Project Implementing Entity in accordance with their terms.
- (b) Each of the agreements referred to in Section 5.01 (j) above has been duly authorized or ratified by each of the parties thereto and is legally binding upon each of the parties thereto in accordance with its terms.

- 5.03. The Effectiveness Deadline is the date three hundred sixty five (365) days after the date of this Agreement.

Article VI
Borrower's Representative; Addresses

- 6.01. The Borrower's Representative referred to in Section 10.02 of the Standard Conditions is the President of its Management Board (Directoire).

- 6.02. The Borrower's Address referred to in Section 10.01 of the Standard Conditions is:

Moroccan Agency for Solar Energy
Immeuble Extension CMR; third floor
Avenue Al Araar
Hay Riad
10014, Rabat
Kingdom of Morocco

Facsimile:

(212) 537 57 14 75

- 6.03. The World Bank's Address referred to in Section 10.01 of the Standard Conditions is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable:

Telex:

Facsimile:

INTBAFRAD
Washington, D.C.

248423 (MCI) or
64145 (MCI)

1-202-477-6391

AGREED at Durban, South Africa, as of the day and year first above written.

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
acting as an implementing entity of the
Clean Technology Fund

By /s/ Sri Mulyani Indrawati

Authorized Representative

MOROCCAN AGENCY FOR SOLAR ENERGY

By /s/ Mustapha Bakkoury

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to support the Borrower in the development of the 500 Megawatt Ouarzazate solar power plant by financing the first phase (160 Megawatt gross) through a public private partnership (PPP), to increase power generation from solar power and mitigate greenhouse gas emissions and local environment impact.

The Project consists of the following parts:

Part 1: Financing the Initial Investment

- A. Development of the Plant through the formation of a PPP between the Borrower and a competitively selected partner.
- B. Construction of the Associated Facilities.

Part 2: Operational Support

Supporting the acquisition of kilowatt-hours produced by the Project Implementing Entity to partially cover the difference in the price at which the Borrower would buy the electricity generated by the Plant and the price at which the Borrower would sell such electricity to ONE.

SCHEDULE 2**Project Execution****Section I. Institutional and Other Arrangements****A. Institutional Arrangements**

1. The Borrower shall cause the Project implementing Entity, including through exercising its voting powers in relation to the Project Implementing Entity and all powers of control available in relation to its nominee to the Board of Directors of the Project Implementing Entity, to implement Part 1.A of the Project in accordance with the Financial Management and Disbursement Manual, the Governance Framework and all agreements referred to in Sections 5.01 (i) and 5.01 (j) of this Agreement. The Borrower shall not, and shall cause the Project Implementing Entity not to amend, suspend, abrogate, repeal or waive: (i) any provision of the Financial Management and Disbursement Manual, and the Governance Framework without prior approval of the World Bank; and (ii) any provision of any agreement referred to in Sections 5.01 (i) and 5.01 (j) of this Agreement if such amendment, suspension, abrogation, repeal or waiver would affect materially and adversely the ability of the Borrower and/or the Project Implementing Entity to perform any of their obligations under this Agreement, or to achieve the objectives of the Project. In addition, the Borrower shall not, and shall cause the Project Implementing Entity not to assign their respective rights under any of the agreements referred to in Sections 5.01 (i) and 5.01 (j) of this Agreement without prior approval of the World Bank.
2. The Borrower shall: (i) maintain the Project Management Unit at all times during the implementation of the Project with qualified staff and adequate resources; and (ii) cause the Project Implementing Entity to be maintained at all times during the implementation of the Project with qualified staff and adequate resources.
3. The Borrower shall inform the World Bank, and shall cause the Project Implementing Entity to inform the Borrower of: (i) any failure by any party to any of the Conventions and any of the agreements referred to in Sections 5.01 (f), 5.01 (i) and 5.01 (j) of this Agreement, to perform any of its obligations under any of such Conventions and agreements when such default may affect materially and adversely the ability of the Borrower and/or the Project Implementing Entity to perform any of their obligations under this Agreement, or to achieve the objectives of the Project, or (ii) any failure or violation by any such party, to the best of the Borrower's knowledge, of any law, regulation, decree, or order that could reasonably be expected to materially adversely affect the violating party's ability to perform its obligations under any of the Conventions and any applicable agreement referred to in Sections 5.01 (f),

5.01(i) and 5.01 (j). The Borrower shall inform the World Bank, and shall cause the Project Implementing Entity to inform the Borrower, of any dispute involving any party to any of the Conventions and any of the agreements referred to in Sections 5.01 (f), 5.01 (i) and 5.01 (j) of this Agreement and regarding any such Conventions and agreements, when such dispute may affect materially and adversely the ability of the Borrower and/or the Project Implementing Entity to perform any of their obligations under this Agreement, or to achieve the objectives of the Project.

4. Not later than three months after the Effective Date, the Borrower shall contract an independent verification expert, satisfactory to the World Bank, under terms of reference satisfactory to the World Bank, to carry out technical audits and prepare the technical audit reports regarding the implementation of Part 1.A of the Project, and of the EPC Contract referred to in Section II.B.3 of this Schedule 2 to this Agreement.

B. Subsidiary Loan Agreements

1. To facilitate the carrying out of Part 1.A of the Project by the Project Implementing Entity, the Borrower shall make the proceeds of the Loan allocated from time to time to Category 1 of the table set forth in Section IV.A.2 of this Schedule and the proceeds of the AFD Co-financing, the AfDB Co-financing I, the AfDB Co-financing II, the EIB Co-financing, and the KfW Co-financing I available to the Project Implementing Entity as a loan or loans under one or more subsidiary loan agreements between the Borrower and the Project Implementing Entity, under terms and conditions approved by the World Bank (“Subsidiary Loan Agreements”), including the commitments of the Project Implementing Entity set forth or referred to in this Agreement and the right of the Borrower to suspend disbursements under such Subsidiary Loan Agreements in case of non compliance by the Project Implementing Entity.
2. The Borrower shall exercise its rights and shall cause the Project Implementing Entity to exercise its rights under the Subsidiary Loan Agreements in such manner as to accomplish the purposes of the Loan. Except as the World Bank shall otherwise agree, the Borrower shall: (i) not assign, abrogate or waive any of the Subsidiary Loan Agreements or any of their respective provisions; (ii) cause the Project Implementing Entity not to assign, abrogate or waive any of the Subsidiary Loan Agreements or any of their respective provisions. The Borrower shall not amend, and shall cause the Project Implementing Entity not to amend any of the Subsidiary Loan Agreements or any of their respective provisions without the prior approval of the World Bank. Such prior approval shall be deemed to have been granted by the World Bank in the absence of response from the World Bank within fifteen (15) days from the date on which a request for prior approval shall have been communicated by the Borrower to the World Bank.

C. Anti-Corruption

The Borrower shall: (i) ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines; and (ii) cause the Project Implementing Entity to ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

D. Safeguards

1. The Borrower shall: (i) maintain within the Project Management Unit, an environmental and social safeguards unit, including an environmental and social safeguard coordinator with terms of reference and qualifications, budget and material support adequate to supervise the implantation of, and compliance with the FESIA; and (ii) cause the Project Implementing Entity to establish and maintain an environmental and social unit adequate to supervise the preparation of the ESIA, further implement the ESMP and report to the Borrower on implementation of all mitigation measures, including health and safety.
2. The Borrower shall cause the Project Implementing Entity not to authorize any commencement of civil works to build the Plant before an ESIA is prepared, adopted and disclosed in accordance with the FESIA.
3. The Borrower shall: (i) cause the ESIA including an ESMP for the Associated Facilities to be developed in a manner consistent with the provisions of the FESIA; and (ii) provide the World Bank with the relevant draft ESIA for any of the Associated Facilities, allow the World Bank one month to provide its comments and feedback as appropriate on such documents, and further inform the World Bank about the status of the preparation and adoption of the final ESIA, including any mitigation measures and/or environmental management plan as appropriate, for any of such Associated Facilities.
4. The Borrower shall disclose, and shall cause the Project Implementing Entity to disclose all relevant safeguard-related documentation regarding the Part 1 of the Project, including any environmental and social impact assessment, including any mitigation measures and/or environmental management plan as appropriate, for any of the Associated Facilities.
5. The Borrower shall cause the Project Implementing Entity: (i) to construct and operate the Plant at all times in compliance with the ESIA and the LAP; and (ii) not to amend, suspend, abrogate, repeal or waive any provision of the ESIA or the LAP without prior consultation with, and approval of the World Bank.
6. The Borrower shall: (i) cause the Project Implementing Entity to prepare and disclose an environmental and social management report on a bi-annual basis during the construction of the Plant, and on an annual basis afterwards; and (ii)

include such report in the Project Reports referred to in Section II.A of this Schedule 2.

7. Not later than three (3) months after the Effective Date, the Borrower shall provide the World Bank with a draft of the SDP for its comments and recommendations. Not later than eighteen (18) months after the Effective Date, the Borrower shall prepare a report on the implementation of the SDP and provide such report to the World Bank for its comments and recommendations.
8. The Borrower shall ensure that no works shall commence for any Associated Facility before the implementation of a due diligence to assess any need for land acquisition and/or involuntary resettlement. In case land acquisition and/or involuntary resettlement would be required for any Associated Facilities, the Borrower shall: (i) ensure that the processes, rules and principles to be applied to said land acquisition and/or involuntary resettlement be adopted by the relevant parties, and (ii) provide the World Bank with copies of said processes, rules and principles for its review and concurrence before the commencement of any land acquisition.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. The Borrower shall cause the Project Implementing Entity to monitor and evaluate the progress of Part 1.A of the Project and to prepare Project Reports for Part 1.A of the Project in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators acceptable to the World Bank. Each Project Report shall cover the period of one calendar semester, and shall be furnished by the Project Implementing Entity to the Borrower not later than four (4) weeks after the end of the period covered by such report for forwarding by the Borrower to the World Bank not later than forty five (45) after the end of the period covered by such report.
2. The Borrower shall cause the Project Implementing Entity to provide to the Borrower not later than three (3) months after the Closing Date, for incorporation in the Completion Report referred to in Section 2.06 of the Standard Conditions, all such information as the Borrower or the World Bank shall reasonably request for the purposes of that Section. The Borrower shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Borrower shall furnish the Completion Report to the World Bank not later than six (6) months after the Closing Date.

B. Financial Management; Financial Reports; Audits

1. The Borrower shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.
2. The Borrower shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty five (45) days after the end of each calendar semester, covering the semester, in a form and substance agreed by the Borrower with the World Bank.
3. With respect to each withdrawal application, the Borrower shall prepare and furnish to the World Bank an interim unaudited financial report for the Project covering the time period agreed with the World Bank, in a form and substance agreed by the Borrower and the World Bank. Each such interim unaudited financial report shall include the technical audit report, in form and substance satisfactory to the World Bank, to be prepared by the independent verification expert referred to in Section I.A.4 of this Schedule 2 to this Agreement. Each such technical audit report shall be focused in particular on: (i) the achievement of the milestones set forth in the EPC Contract; and (ii) compliance with pricing provisions set forth in the EPC Contract.
4. The Borrower shall have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal year of the Borrower. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six months after the end of such period.
5. The Borrower shall cause the Project Implementing Entity to maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the World Bank, both in a manner adequate to reflect the operations and financial condition of the Project Implementing Entity, including the operations, resources and expenditures related to the Project.
6. The Borrower shall cause the Project Implementing Entity to have its financial statements referred to in paragraph 5 above audited by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank. Each audit of these financial statements shall cover the period of one fiscal year of the Project Implementing Entity. The Borrower shall cause the Project Implementing Entity to ensure that the audited financial statements for each period shall be: (a) furnished to the Borrower for transmission to the World Bank not later than six months after the end of the

period; and (b) made publicly available in a timely fashion and in a manner acceptable to the World Bank.

Section III. Procurement

A. General

1. **Goods, Works and Non-consulting services.** All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Loan 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. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in the Procurement Guidelines.

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

Procurement under Public Private Partnership Arrangements: the entrepreneur responsible for the development of the Plant shall be selected through open competitive bidding procedures determined acceptable by the World Bank in accordance with paragraph 3.14 (a) of the Procurement Guidelines.

C. Review by the World Bank of Procurement Decisions

The contract for the selection of the entrepreneur responsible for the development of the Plant referred in Section III.B above shall be subject to the World Bank's Prior Review.

Section IV. Withdrawal of Loan Proceeds

A. General

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Borrower (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the World Bank 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 Loan (“Category”), the allocations of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Loan Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works and non-consulting services under Part 1.A of the Project	96,757,500	49.2%
(2) Management Fee	242,500	Amount payable in accordance with Section 2.04 of this Agreement and Section 4.01(a) of the Standard Conditions
TOTAL AMOUNT	<u>97,000,000</u>	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made:
- (a) for payments made prior to the date of this Agreement;
 - (b) under Category (1), until the Borrower shall have provided to the World Bank, with respect to each withdrawal application, the relevant interim unaudited financial report for the Project, including the report referred to in Section II.B.3 of this Schedule 2 to this Agreement, in form and substance satisfactory to the World Bank.
2. The Closing Date is June 30, 2021.

Section V. Other Undertakings

- A. Except as otherwise agreed by the World Bank, the Borrower's Equity shall remain positive on a yearly basis commencing with the Borrower's fiscal year 2012, as evidenced by the Borrower's yearly audited financial statements.
- B. Not later than the end of each fiscal year commencing with the Borrower's fiscal year 2013, the Borrower shall furnish to the World Bank a copy of the business plan and financial projections (which shall include projected consolidated balance sheet, income statement and cash flow statement), of the Borrower and its subsidiaries for each semester of the upcoming fiscal year, as adopted by the Management Board (Directoire) of the Borrower and prepared in accordance with consistently applied accounting standards acceptable to the World Bank, in a form and substance agreed by the Borrower and the World Bank.

SCHEDULE 3**Repayment Schedule**

Date Payment Due	Principal Amount of the Loan repayable (expressed as a percentage)
On each June 15 and December 15:	
commencing December 15, 2021, to and including June 15, 2031	1%
commencing December 15, 2031 to and including June 15, 2051	2%

APPENDIX**Definitions**

1. “AFD Co-financier” means Agence Française de Développement, the French Development Agency, referred to in the Appendix to the Standard Conditions.
2. “AFD Co-financing” means an amount of EUR 100 million to be provided to the Borrower by the AFD Co-financier to assist in financing Part 1.A of the Project.
3. “AFD Co-financing Agreement” means the agreement to be entered into between the Borrower and the AFD Co-financier providing for the AFD Co-financing.
4. “AfDB Co-financier” means African Development Bank, referred to in the Appendix to the Standard Conditions.
5. “AfDB Co-financing I” means an amount of EUR 200 million to be provided to the Borrower by the AfDB Co-financier to assist in financing Part 1.A of the Project.
6. “AfDB Co-financing II” means an amount of USD 100 million to be provided to the Borrower by the AfDB Co-financier acting as an implementing entity of the Clean Technology Fund to assist in financing Part 1.A of the Project.
7. “AfDB Co-financing Agreements” means the two agreements to be entered into between the Borrower and the AfDB Co-financier providing for the AfDB Co-financing I and the AfDB Co-financing II, respectively.
8. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011.
9. "Associated Facilities" means those facilities and infrastructures referred to in Section 1.4 of the FESIA, including but not limited to those to be built and operated for the purposes of (i) providing water for the operation of the Plant, and (ii) transporting power to and from the Plant through transmission lines.

10. “Basic Legislation” means the Law No. 57-09 of the Kingdom of Morocco as promulgated pursuant to the Law (“Dahir”) No. 1.10-18 of the Kingdom of Morocco, dated February 11, 2010, pursuant to which the Borrower has been established and is operating as a commercial company (société anonyme).
11. “Category” means a category set forth in the table in Section IV. A.2 of Schedule 2 to this Agreement.
12. “Co-financiers” means the AFD Co-financier, AfDB Co-financier, EC Co-financier, EIB Co-financier and KfW Co-financier.
13. “Conventions” means the General Convention, the Project Specific Convention and the Tripartite Convention.
14. “EC Co-financier” means the European Commission, referred to in the Appendix to the Standard Conditions.
15. “EC Co-financing” means an amount of USD 37 million to be provided to the Borrower as a grant by the EC Co-financier under its Neighborhood Investment Facility to assist in financing Part 1.A of the Project, through the financing of the Borrower’s share of the Project Implementing Entity’s equity interest.
16. “EC Co-financing Agreement” means the agreement to be entered into between the Borrower and the EC Co-financier providing for the EC Co-financing.
17. “EIB Co-financier” means European Investment Bank, referred to in the Appendix to the Standard Conditions.
18. “EIB Co-financing” means an amount of EUR 100 million to be provided to the Borrower by the EIB Co-financier to assist in financing Part 1.A of the Project.
19. “EIB Co-financing Agreement” means the agreement to be entered into between the Borrower and the EIB Co-financier providing for the EIB Co-financing.
20. "Environmental and Social Assessment" or “ESIA” means the environmental and social assessment to be carried out by the Project Implementing Entity for Part 1

of the Project, in accordance with the provisions of the FESIA, including all processes, rules, principles including monitoring and evaluation, public disclosure and consultation, and an ESMP, as described in the FESIA, and to be further submitted to the World Bank for its review and approval before the commencement of the construction of the Plant and the Associated Facilities, such ESIA to be further disclosed and maintained publicly available on the Borrower's website through the implementation of the Project, and as the ESIA may be amended from time to time after consultation with, and with the prior approval of the World Bank.

21. "Environmental and Social Management Plan" or "ESMP" means the plan to be developed and adopted by the Project Implementing Entity, as part of the ESIA, for Part 1 of the Project, and containing inter alia the mitigation measures to monitor, reduce, offset or compensate any environmental and/or negative impact that may arise from the activities under Part 1 of the Project, such plan to include institutional arrangements for its implementation, budget and monitoring and evaluation systems to implement, monitor and evaluate said mitigation measures, and as the ESMP may be amended from time to time after consultation with, and with the prior approval of the World Bank.
22. "EPC Contract" means the Engineering, Procurement and Construction Contract to be entered into by the Project Implementing Entity and a third-party contractor for front-end engineering design, procurement of equipment and services, and construction of the Plant on a lump-sum, turnkey basis or such other basis as may be suitable for completion of the facility within the timeframe, technical parameters and other terms agreed between the Borrower and the Project Implementing Entity in the Power Purchase Agreement.
23. "Equity" means the sum of equity contributions (paid-up capital and premium paid in relation to issued shares, share contributions and mergers), revaluation adjustments, reserves, net result carried forward (debtor and creditor), retained earnings (including the current year net result), investment subsidies and regulated provisions.
24. "Financial Management and Disbursement Manual" means the manual describing the financial management, co-financing and disbursement arrangements for the Project, and referred to in Section I.A.1 of Schedule 2 to this Agreement.
25. "Framework Environmental and Social Impact Assessment" or "FESIA" mean, the environmental and social impact assessment framework document prepared

for the purpose of Part 1 of the Project, adopted by MASEN, further disclosed in the Kingdom of Morocco on January 8, 2011 and to be maintained publicly available through the implementation of the Project, such FESIA describing, among other items: (i) the legal, policy and regulatory framework applicable to the environmental and social management of Part 1 of the Project, including the environmental norms, rules and procedures applicable to the construction, operation and maintenance of the Plant; (b) the process to be followed by the Project Implementing Entity to develop an ESIA before commencing any civil works under Part 1 of the Project, including the Plant and Associated Facilities; (ii) the monitoring and evaluation systems to be adopted to monitor the environmental performance under Part 1 of the Project including the implementation of and compliance with the ESIA; and (iii) the disclosure and consultation process to be implemented during the preparation of the ESIA, and the construction and operation of the Plant, and as the FESIA may be amended from time to time after consultation with, and with the prior approval of the World Bank.

26. “General Convention” means the convention dated October 26, 2010, entered into between the Kingdom of Morocco and the Borrower pursuant to Article 1 of the Basic Legislation, and approved by the Kingdom of Morocco under Decree No. 2-11-528 dated September 8, 2011, regarding the conditions and modalities necessary for the implementation of the solar energy program of the Kingdom of Morocco.
27. “Governance Framework” means the set of rules and practices, policies and procedures designed to facilitate accrued efficiency and prevent corrupt practices.
28. “Grid Access Agreement” means the agreement to be entered into between ONE and the Borrower defining the conditions of injection into the national high voltage/very high voltage electricity grid for the electricity generated by the Plant.
29. “IBRD Loan Agreement” means the agreement between the Borrower and the World Bank for Part 2 of the Project, of the same date as this Agreement, as such agreement may be amended from time to time. “IBRD Loan Agreement” includes all appendices, schedules and agreements supplemental to the Loan Agreement.
30. “KfW Co-financier” means Kreditanstalt für Wiederaufbau, the German Development Agency, referred to in the Appendix to the Standard Conditions.

31. “KfW Co-financing I” means an amount of EUR 74 million to be provided to the Borrower by the KfW Co-financier to assist in financing Part 1.A of the Project.
32. “KfW Co-financing II” means an amount of EUR 26 million to be provided to the Borrower by the KfW Co-financier to assist in financing Part 1.A of the Project through the financing of the Borrower’s share of the Project Implementing Entity’s equity interest.
33. “KfW Co-financing Agreements” means the two agreements to be entered into between the Borrower and the KfW Co-financier providing for the KfW Co-financing I and the KfW Co-financing II, respectively.
34. "Land Acquisition Plan" or “LAP” means the plan prepared, adopted, disclosed on January 12, 2011 in the Kingdom of Morocco and further implemented by the Borrower in order to acquire the land needed for the purpose of Part 1 of the Project, such LAP including, among other items: (i) the description of the land to be acquired and actually acquired by the Borrower, including a map; (ii) the applicable legal framework for land acquisition for the purpose of Part 1 of the Project; (iii) the compensation paid by the Borrower to affected communities for the land acquisition; (iv) the process followed for the land acquisition including consultation of affected communities, local, provincial and national authorities, and preparation and conclusion of land acquisition contracts; (v) the grievance mechanisms available to affected communities; and (vi) the monitoring, evaluation and disclosure processes.
35. “MASEN Capital” means the subsidiary of the Borrower to be established under the laws of the Kingdom of Morocco by the Borrower in order to hold its share of the Project Implementing Entity’s equity interest.
36. “ONE” means Office National de l’Electricité, the National Electricity Agency of the Kingdom of Morocco.
37. “Operation and Maintenance Agreement” means the agreement to be entered into between the Project Implementing Entity and a third party operator allocating to the operator the obligation to operate and maintain the Plant in accordance with its terms and conditions.

38. “Plant” means the concentrated solar parabolic trough facility for the generation of electricity of a capacity up to 160 megawatt gross at a 450 hectare site located 10 kilometers northeast of the city of Ouarzazate in the Kingdom of Morocco.
39. “Power Purchase Agreement” means the agreement to be entered into between the Borrower and the Project Implementing Entity for the sale by the Project Implementing Entity, and the purchase by the Borrower, of electricity generated from the Plant in accordance with its terms and conditions.
40. “Power Sale Agreement” means the agreement to be entered into between the Borrower and ONE for the sale by the Borrower, and the purchase by ONE, of electric capacity and energy generated from the Plant in accordance with its terms and conditions.
41. “Procurement Guidelines” means the “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” published by the World Bank in January 2011.
42. “Procurement Plan” means the Borrower’s procurement plan for Part 1.A of the Project, dated September 14, 2011, and referred to in paragraph 1.18 of the Procurement Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
43. “Project Implementing Entity” means the company to be held under the laws of the Kingdom of Morocco by the Borrower and a competitively selected partner to develop the Plant to be constructed under Part 1.A of the Project.
44. “Project Management Unit” means the Borrower’s Project management unit referred to in Section I.A.2 in Schedule 2 to this Agreement.
45. “Project Specific Convention” means the convention to be entered into between the Kingdom of Morocco and the Borrower pursuant to Article 22 of the General Convention, setting forth in particular undertakings from the Kingdom of Morocco to ensure the economic and financial equilibrium of the Project.
46. “Shareholders’ Agreement” means the agreement to be entered into by MASEN Capital with all the other holders of all of the Project Implementing Entity’s

voting and nonvoting equity interest that governs their relationship and collective approach to management of the Project Implementing Entity's affairs.

47. "Social Development Plan" or "SDP" means the social development plan describing (i) the benefits that will accrue to local communities in the area of the Project through the use of the proceeds of the compensation paid pursuant to the provisions of the LAP for the land acquisition necessary for the Project, and (ii) other voluntary actions planned to be implemented by the Borrower and/or any other stakeholder.
48. "Standard Conditions" means the Standard Conditions for Loans Made by the World Bank Out of the Climate Investment Funds, dated July 31, 2010.
49. "Subsidiary Loan Agreements" means the agreement or agreements, as the case may be, referred to in Section I.B of Schedule 2 to this Agreement pursuant to which the Borrower shall make the proceeds of the Loan and the proceeds of the AFD Co-financing, the AfDB Co-financing I, the AfDB Co-financing II, the EIB Co-financing, and the KfW Co-financing I available as a loan or loans, as the case may be, to the Project Implementing Entity.
50. "Transmission Interconnection Agreement" means the agreement to be entered into between the Borrower and ONE, to connect the Plant to the high voltage/very high voltage electric power transmission network in the territory of the Kingdom of Morocco at a level and under such conditions as to ensure evacuation of the net electricity output of the Plant for the term of the Power Purchase Agreement.
51. "Tripartite Convention" means the Convention dated October 26, 2010, entered into among the Kingdom of Morocco, the Borrower and ONE pursuant to Article 3 of the Basic Legislation, regarding the obligations of each of such parties regarding the supply, transport, commercialization and exportation of electricity.