

Public Disclosure Authorized

CONFORMED COPY

CREDIT NUMBER 4484-CM

Financing Agreement

(Energy Sector Development Project)

between

REPUBLIC OF CAMEROON

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated October 30, 2008

CREDIT NUMBER 4484-CM

FINANCING AGREEMENT

AGREEMENT dated October 30, 2008, entered into between REPUBLIC OF CAMEROON (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions.

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 thirty nine million nine hundred thousand Special Drawing Rights (SDR 39,900,000) (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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 February 15 and August 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 the Euro.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objectives of the Project and the Program. To this end, the Recipient shall carry out the Project through the MINEE, ARSEL, AER and EDC in accordance with the provisions of Article IV of the General Conditions.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV —EFFECTIVENESS; TERMINATION

4.01. The Additional Conditions of Effectiveness consist of the following:

- (a) The Recipient has adopted a Project Implementation Manual, including annexes on financial and accounting procedures and on procurement procedures, applicable to MINEE, ARSEL, AER and EDC, all in form and substance satisfactory to the Association;
- (b) The Recipient has either appointed or recruited, in accordance with the provisions of Section III of Schedule 2 to this Agreement, within each of MINEE, AER, ARSEL and EDC, a procurement specialist, an accountant and a financial management specialist, all with qualifications, experience and pursuant to terms of reference satisfactory to the Association;
- (c) The Recipient has installed a functioning computerized integrated accounting system within each of MINEE, ARSEL, AER and EDC and successfully trained relevant staff in the use thereof, as assessed by the Association; and
- (d) AER has recruited in accordance with the provisions of Section III of Schedule 2 to this Agreement: (i) an environmental and social safeguard specialist; and (ii) a power engineer/technical expert knowledgeable about rural energy technologies, each with qualifications, experience and pursuant to terms of reference satisfactory to the Association;

- 4.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
- 4.03. For purposes of Section 8.05 (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 years after the date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. The Recipient's Representative is the Minister at the time in charge of Economy, Planning and Regional Development.
- 5.02. The Recipient's Address is:

Ministry of Economy, Planning and Regional Development
Yaoundé
Republic of Cameroon

Facsimile:

(237) 22 22 15 09

- 5.03. 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 Yaoundé, Republic of Cameroon, as of the day and year first above written.

REPUBLIC OF CAMEROON

By /s/ Louis Paul Motazé

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Mary Barton-Dock

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to contribute to the realization of the Recipient's growth and poverty reduction strategy by increasing access to modern energy in rural areas and by increasing the reliability of electricity supply through improved management of sector resources.

The Project consists of the following parts:

Component 1: Rural Energy Fund

Increase access to modern energy in rural areas through the provision of Sub-Grants to Operators for the financing of Sub-Projects under the REF.

Component 2: Capacity building

1. Capacity building of MINEE to: (i) improve the planning of least cost investments; (ii) finalize the legal and institutional framework of the Recipient's energy sector; (iii) conduct complementary studies related to such planning of investments and finalization of legal and institutional framework, (iv) improve institutional communication; and (v) provide necessary training and equipment; through the provisions of technical assistance, equipment and Training.
2. Capacity building of ARSEL to improve regulatory governance, concession oversight, and consumer protection; through the provision of technical assistance, equipment and Training.
3. Capacity building of AER as executing agent of the REF with responsibilities for collaborating with ARSEL for the selection of Operators and monitoring of Sub-project execution, and promotion of rural energies and energy efficiency; through the provision of technical assistance, equipment and Training.
4. Capacity building of EDC to: (i) develop tools of water basin management and regulation; (ii) feasibility studies for future hydroelectric projects; (iii) communication; and (iv) associated Training and equipment.

Component 3: Project preparation

1. Assistance to EDC for the following activities for the preparation of the Recipient's LPHP: (i) recruitment of an engineering firm and other consultants for the establishment of a LPHP preparation unit within EDC; (ii) technical, environmental and social studies, including reviews by the independent panels of technical, dam safety and environmental and social experts; and (iii) the preparation of bidding documents; all in the form of studies and technical assistance.

2. Assistance to AER for project preparation activities for the preparation of the Recipient's rural energy projects, including: (i) the development of standard bidding documents; (ii) standard technical specifications; and (iii) assistance to rural energy Operators and other aspects related to preparing rural energy projects for financing under the REF; all through the provision of technical assistance, equipment and Training.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

MINEE, AER, ARSEL and EDC

Each of MINEE, AER, ARSEL and EDC shall maintain, throughout Project implementation:

- (i) its Procurement Commission, in form and substance and with functions and resources satisfactory to the Association; and
- (ii) an accountant, a procurement specialist and a financial management specialist recruited in accordance with the provisions of Section III of this Schedule 2 or appointed, all with qualifications, experience, and pursuant to terms of reference satisfactory to the Association.

MINEE

- (a) The MINEE shall be responsible for overall Project coordination and:
 - (i) for purposes of Component 1: (i) facilitating the establishment of the REPPC; (ii) convening and chairing regular meetings of the REPPC, at least semi-annually, throughout Project implementation; (iii) providing the secretariat of the REPPC; (iv) facilitating the inclusion of the Recipient's contribution to the REF in the Recipient's annual budget law; and (v) granting licenses and concessions for the Operators, based on submissions made by ARSEL; and
 - (ii) for the implementation of the activities under Component 2(1) of the Project by, *inter alia*, the submission to the Association for approval by January 15 of each year throughout Project implementation of an updated procurement plan and annual work plan related to its activities.

ARSEL

- (a) The Recipient shall maintain, throughout Project implementation, ARSEL in compliance with the ARSEL Decree, in form and substance and with functions and resources satisfactory to the Association.
- (b) ARSEL shall be responsible:
 - (i) for purposes of Component 1: (i) selection of the Operators for the REPP and LPIRE in accordance with the procedures set forth in the REF Manual; (ii) award the authorization and submit to MINEE for signature the award of licenses and concessions for the Operators; (iii) put in place applicable regulations, satisfactory to the Association, to facilitate sustainable rural energy projects and programs; and (iv) collaborate with AER in the evaluation of bids received from energy operators.
 - (ii) for the implementation of the activities under Component 2(2) of the Project by, *inter alia*, the submission to the Association for approval by January 15 of each year throughout Project implementation of an updated procurement plan and annual work plan related to its activities.
- (c) ARSEL shall submit its quarterly project implementation report to MINEE within five (5) working days after the end of each calendar quarter, commencing three months after the Effective Date.

AER

- (a) The Recipient shall maintain, throughout Project implementation, AER in compliance with the AER Decree, in form and substance and with functions and resources satisfactory to the Association.
- (b) AER will be responsible:
 - (i) for the purposes of Component 1: (i) through DREF, monitoring on-site and off-site the technical execution of the Annual Rural Electrification Priority Programs; (ii) providing through the REF Treasury Agent, the disbursement instructions to BEAC; (iii) providing technical assistance to the REPPC in the establishment of Annual Rural Electrification Priority Programs; (iv) providing

technical assistance to potential rural electricity service operators in the preparation of their studies and business plans; and (v) collaborating with ARSEL in the evaluation of bids received from energy operators; and

- (ii) for the implementation of activities under Component 2(3) and 3(2) of the Project by, *inter alia*, the submission to the Association for approval by January 15 of each year throughout Project implementation of an updated procurement plan and annual work plan related to its activities on a regular basis.
- (c) AER shall submit its quarterly project implementation report to MINEE within 5 working days after the end of each calendar quarter, commencing three months after the Effective Date.
- (d) AER shall maintain, throughout Project implementation, the DREF staffed with at least one director and one financial analyst.

EDC

- (a) The Recipient shall maintain, throughout Project implementation, EDC in compliance with the EDC Decree, in form and substance and with functions and resources satisfactory to the Association.
- (b) EDC shall be responsible for the implementation of the activities under Components 2(4) and 3(1) of the Project by, *inter alia*, the submission to the Association for approval by January 15 of each year throughout Project implementation of an updated procurement plan and annual work plan related to its activities.
- (c) EDC shall submit its quarterly project implementation report to MINEE within five (5) working days after the end of each calendar quarter, commencing three months after the Effective Date.

OTHER INSTITUTIONS

REPPC

- (a) The Recipient shall establish and maintain REPPC, throughout Project implementation, in form and substance, and with functions and

resources, satisfactory to the Association, including adequate representation of stakeholders of rural energy projects.

- (b) REPPC shall be responsible for the implementation of the following activities under Component 1:
 - (i) development of Annual Rural Electrification Priority Programs, on the basis of an updated Rural Electrification Masterplan and the available resources for the REPP and the LPIRE, and adopt such Annual Rural Electrification Priority Programs by December 15 of the preceding year;
 - (ii) submit the annual budget request for government budget contributions to the REF to be included into the annual budget law;
 - (iii) meet at least semi-annually in August and February of each year, throughout Project implementation, to monitor progress in the execution of the REF; and
 - (iv) ensure that annual independent technical audits of the REF shall be available and submit to the Association annually, at the same time as the audited Financial Statements for the Project.

B. Anti-Corruption

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

C. Safeguards

- (a) The Recipient shall implement Component 1 of the Project in accordance with the guidelines, procedures, timetables and other specifications set forth in the Resettlement Policy Framework and the Environmental and Social Management Framework.
- (b) Except as the Association shall agree in writing, the Recipient shall not abrogate, amend, repeal, suspend, waive or otherwise fail to enforce the provisions of the RPF or the ESMF.

D. Manual

Except as the Association shall otherwise agree, the Recipient shall: (i) carry out the Project in accordance with the REF Manual and the Project Implementation Manual and its annexes on the financial and accounting procedures, and procurement procedures; and (ii) except as the Association shall otherwise agree, not amend, abrogate, repeal, suspend, waive, or otherwise fail to enforce, or permit to be amended, abrogated, repealed, suspended or waived, the aforementioned, or any provision thereof.

E. REF Fund

1. Subproject Grant Eligibility and Subproject Implementation Guidelines and Procedures

No proposed Subproject shall be eligible for financing under the Project unless ARSEL has determined, on the basis of an appraisal conducted with AER in accordance with this Agreement and the REF Manual, that the proposed Subproject satisfies the eligibility criteria specified below and in further detail in the REF Manual, which shall include the following:

- (a) the proposed Subproject is economically viable and respects the other eligibility criteria specified in the REF Manual;
- (b) the proposed REPP Subproject is part of the Annual Rural Electrification Priority Program as adopted by REPPC, as set forth in further detail in the REF Manual;
- (c) the proposed REPP Subproject is consistent with the Rural Electrification Master Plan (once adopted);
- (d) the proposed LPIRE Subproject has been identified under the REF window for LPIRE in line with the REF Manual;
- (e) either: (i) a REPP Operator has been identified through a competitive bidding process in accordance with the terms of Section III of Schedule 2 of this Agreement; or (ii) a LPIRE Operator has been identified which meets the eligibility criteria specified in the REF Manual;

- (f) the proposed Subproject has fulfilled the requirements of the Environmental and Social Management Framework and the Resettlement Policy Framework;
- (g) the proposed Subproject is consistent with the relevant standards and national sector policies of the Recipient; and
- (h) the respective REPP Operator and LPIRE Operator is contributing at least thirty percent (30%) of the projected Subproject costs in cash or in kind.

3. Terms and Conditions of Subproject Grant Agreements

- (a) A Subproject shall be carried out pursuant to a Subproject Grant Agreement, to be concluded between AER on behalf of the Recipient and the relevant Operator on behalf of the Beneficiary, under terms and conditions satisfactory to the Association, and described in further detail in the Project Implementation Manual, and which shall include the following:
 - (i) the obligation of the relevant Operator to contribute at least thirty percent (30%) of the projected Subproject costs in cash or in kind;
 - (ii) a disbursement mechanism of the Sub-project Grant in tranches, according to the physical progress of the work completed, as evaluated by AER;
 - (iii) the obligation of the Beneficiary to: (A) carry out the Subproject with due diligence and efficiency and in accordance with the Anti-Corruption Guidelines and with sound technical, environmental, social, financial, and administrative practices; (B) ensure that the resources required for the Subproject are provided promptly as needed; (C) maintain adequate records to reflect, in accordance sound accounting practices, the resources, operations, and expenditures relating to the Subproject; and (D) at the request of the Association or the Recipient, have such records audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the records as so audited to the Recipient and the Association;

- (iv) the right of AER, on behalf of the Recipient, to: (A) 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; (B) obtain all information as it, or the Association, shall reasonably request regarding the administration, operation, and financial condition of Subprojects; and (C) suspend or terminate the right of any Beneficiary to use the proceeds of the Subproject Grant upon failure by the Beneficiary to perform any of its obligations under the Subproject Grant Agreement.

- (b) AER or the Recipient, as the case may be, shall exercise its rights under the Subproject Grant Agreement in such manner as to protect its interests and the interests of the Association and to achieve the Project objective, and, except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, any provision of the aforementioned.

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 trimester, and shall be furnished to the Association by MINEE not later than 15 working days after the end of the period covered by such report.

- (b) The performance indicators referred to above in sub-paragraph (a) consist of the following:
 - (i) Increase in the number of electrified villages (grid and off-grid) by 200 over the life of the Project;

 - (ii) A long-term least cost development plan for the sector is adopted;

 - (iii) Full compliance of AES Sonel with at least two concession obligations;

- (iv) Preparation of LPHP in accordance with international best practice technical, environmental and social standards, as measured by compliance with applicable World Bank safeguards policies.
2. For purposes of Section 4.08 (c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Association not later than June 30, 2014.

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 not later than 45 days 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 of the Recipient. 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 table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used:

Procurement Method
(a) <i>National Competitive Bidding</i>
(b) <i>Shopping</i>
(c) <i>Limited International Bidding</i>
(d) <i>Direct Contracting</i>

C. Particular Methods of Procurement of Consultants' Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.
2. **Other Methods of Procurement of Consultants' Services.** The following table specifies methods of procurement, other than Quality- and Cost-based Selection, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used.

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

D. Review by the Association of Procurement Decisions

Except as the Association shall otherwise determine by notice to the Recipient, the following contracts shall be subject to Prior Review by the Association: (a) each contract for works estimated to cost the equivalent of \$500,000 or more; (b) each contract for goods estimated to cost the equivalent of \$200,000 or more; (c) the first three contracts for goods and works procured under National Competitive Bidding through each implementing entity; (d) all contracts for goods and works procured under Direct Contracting; (e) each contract for consultants' services provided by a firm estimated to cost the equivalent of \$100,000 or more; (f) each contract for individual consultant services estimated to cost the equivalent of \$50,000 or more; (g) each contract for consultant services procured under Single Source Selection; (h) the first three contracts for consultant services provided by a firm through each implementing entity; (i) the first three contracts for individual consultant services through each implementing entity; (j) the first three Sub-project Grant Agreements to be signed with an Operator, and (k) each Sub-project Grant Agreement to be signed with an Operator estimated to cost the equivalent of \$500,000 or more. 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 ("Category"), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Credit Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes, other than duties and VAT)
(1) Sub-Grants for Subprojects under Component 1	24,600,000	100%
(2) Goods, services and Training under Component 2	9,200,000	100%
(3) Goods, services and Training under Component 3	6,100,000	100%
TOTAL AMOUNT	39,900,000	

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, except that withdrawals up to an aggregate amount not to exceed \$6,500,000 equivalent may be made for payments made prior to this date, but on or after July 31, 2007, for Eligible Expenditures; or
 - (b) under Category (1) above, unless: (i) the REF has been established in form and substance satisfactory to the Association; (ii) the REF Account has been opened; (iii) the MoF has assigned a REF Treasury Agent to AER for the REF and specified the management and disbursement modalities for the REF Account, in form and substance satisfactory to the Association; (iv) the REF Manual has been adopted by the Recipient, in form and substance satisfactory to the Association; and (v) the REPPC

has been established in form and substance satisfactory to the Association.

2. The Closing Date is December 31, 2013

Section V. Other Undertakings

Institutional Arrangements

1. No later than 3 months after the Effective Date, the Recipient shall have opened the REF Account.
2. No later than 3 months after the Effective Date, the Recipient shall have established REPPC with appropriate resources and staffing, and with a composition and a mandate satisfactory to the Association.
3. No later than 3 months after the Effective Date, the Recipient shall have established the DREF within AER, with appropriate resources and staffing, and with a composition and a mandate satisfactory to the Association.
4. No later than 6 months after the Effective Date, the Recipient shall have created the Rural Energy Fund, in form and substance satisfactory to the Association.
5. No later than 4 months after the Effective Date, the Recipient shall have recruited independent auditors satisfactory to the Association.

Implementation Arrangements

6. No later than December 15 of each calendar year throughout the Project implementation, the REPPC shall adopt the Annual Rural Electrification Priority Program, and the first such Annual Rural Electrification Priority Program shall have been adopted no later than July 30, 2009.
7. No later than 12 months after the Effective Date, the Recipient shall have adopted the updated Rural Electrification Master Plan, in form and substance satisfactory to the Association.
8. No later than 3 months after the Effective Date, the Recipient shall have adopted the first REPP, in form and substance satisfactory to the Association.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each of February 15 and August 15:	
commencing on August 15, 2018 to and including February 15, 2028	1
commencing August 15, 2028 to and including February 15, 2048	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. “AER” means the rural electrification agency of the Recipient (*l’Agence d’Electrification Rurale*) established pursuant to Decree 99/126, dated September 8, 1999 (the “AER Decree”).
2. “Annual Rural Electrification Priority Program” or “REPP” means a rural electrification program established by REPPC and awarded to competitively selected Operators.
3. “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.
4. “ARSEL” means the Electricity Regulatory Agency of the Recipient (*Agence de Régulation du Secteur d’Electricité*) established pursuant to Decree 99/125, dated June 15, 1999 (the “ARSEL Decree”).
5. “BEAC” means the Central African Central Bank (*Banque des Etats d’Afrique Centrale*).
6. “Beneficiary” means the Operators that qualify to receive Sub-Grants under Component 1 of the Project.
7. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
8. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004 and revised in October 2006.
9. “DREF” means the REF Directorate to be created within AER, pursuant to Section V.3 of Schedule 2 of this Agreement.
10. “EDC” means the Electricity Development Corporation, established pursuant to Decree 2006/406 dated November 29, 2006 (the “EDC Decree”).

11. “Environmental and Social Management Framework” and “ESMF” means the framework, dated February 2008, agreed with the Association for the environmental and social screening process to be followed in identifying, assessing, and mitigating the potential adverse environmental and social impact associated with activities to be implemented under the Project and the specific Sub-Projects.
12. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005 (as amended through October 15, 2006).
13. “LPHP” means the Recipient’s proposed Lom Pangar Hydropower project comprised of the construction of a regulation dam at the confluence of the rivers Lom and Pangar, associated transmission line, planned associated electricity generation facility for rural electrification in the region, access routes and all other associated infrastructure, as well as all associated and ancillary direct, indirect and cumulative environmental and social impacts according to the definition of the World Bank safeguard policies.
14. “LPIRE” means a Local Project Initiative of Rural Electrification that has not been included in an Annual Rural Electrification Priority Program.
15. “LPIRE Operator” means an individual promoter and a rural community submitting a competitive bid for a LPIRE satisfying the criteria laid out in the REF Manual.
16. “LPIRE Subproject” means an investment plan submitted by a LPIRE Operator selected by ARSEL in accordance with the criteria set forth in the REF Manual and this Agreement.
17. “MINEE” means the Ministry of the Recipient responsible for the energy and water (*Ministère de l’Energie et de l’Eau*).
18. “MoF” means the Ministry of the Recipient responsible for finance (*Ministère des Finances*).
19. “Operators” means, collectively, the LPIRE Operators and the REPP Operators and “Operator” means any of them.

20. “Procurement Commission” means the commission required and established by the Recipient’s national procurement laws to be established in each project implementing agency.
21. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October, 2006.
22. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated May 29, 2008 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.
23. “Project Implementation Manual” (*Manuel d’Exécution*) means the manual to be adopted by the Recipient pursuant to subsection 4.01 (a) of this Agreement, outlining implementation, organizational, disbursement, procurement and financial management arrangements, as shall have been agreed with the Association for purposes of Project implementation, as the same may be amended from time to time with the prior written concurrence of the Association, and such term includes any schedules to the Project Implementation Manual, including its annexes on financial and accounting procedures and annexes on procurement procedures.
24. “REF” and “Rural Energy Fund” means the public fund to be established by the Recipient pursuant to Section V.4 of Schedule 2 to this Agreement and in accordance with the applicable laws and decrees of the Recipient, for the purpose of providing subsidies to rural energy activities.
25. “REF Account” means the dedicated account of the MoF to be opened at the BEAC pursuant to Section V.1 of Schedule 2 to this Agreement to receive that portion of the Financing allocated from time to time to Component 1 of the Project.
26. “REF Manual” means a manual setting forth administrative, procurement, financial and accounting procedures governing the disbursement of REF funds from the REF Account, and such term includes all schedules and amendments to said REF Manual, including the form of Sub-project Grant Agreement;
27. “REF Treasury Agent” means the accountant of the MoF, appointed by the Recipient’s Minister of Finance that has the authority to sign disbursement requests under the REF.

28. “REPP Operator” means a private sector operator submitting a competitive bid for a rural energy initiative included in an Annual Rural Electrification Program satisfying the criteria laid out in the REF Manual.
29. “REPP Subproject” means an investment plan submitted by a REPP Operator selected by ARSEL in accordance with the criteria set forth in the REF Manual and this Agreement.
30. “RPF” means the Resettlement Policy Framework of the Recipient adopted in February 2008 which sets forth the modalities for social analysis and a resettlement policy framework outlining the modalities for land acquisition, resettlement and rehabilitation of displaced persons under the Project and the specific Sub-Projects.
31. “Rural Electrification Master Plan” means the draft master plan developed by the Government of Cameroon in 2000 (*Plan Directeur d’Electrification Rurale*), as the same will be updated pursuant to Section V.7 of Schedule 2 to this Agreement.
32. “Rural Energy Planning and Programming Committee” or “REPPC” means the committee to be established by the Recipient pursuant to Section V.2 of Schedule 2 to this Agreement.
33. “Sub-Grant” means a grant made out of the REF to an Operator selected in accordance with the criteria set forth in the REF Manual and this Agreement for purposes of financing a Sub-project and “Sub-Grants” means all of them collectively.
34. “Sub-project” means any REPP Subproject and LPIRE Subproject and “Sub-projects” means all of them collectively.
35. “Sub-project Grant Agreement” means the agreements to be signed between the Recipient and the Operators, in the form annexed to the REF Manual.
36. “Training” means the training of persons involved in Project-supported activities, as reflected in an annual budget reviewed by the Association, such term including seminars, workshops, and study tours, and costs associated with such activity include travel and subsistence costs for training participants, costs associated with securing the services of trainers, rental of training facilities, preparation and reproduction of training materials, and other costs directly related to training preparation and implementation.

