
CREDIT NUMBER 4842-LR

Financing Agreement

(Electricity System Enhancement Project)

between

REPUBLIC OF LIBERIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated December 2, 2010

CREDIT NUMBER 4842-LR

FINANCING AGREEMENT

AGREEMENT dated December 2, 2010, entered into between REPUBLIC OF LIBERIA (“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 or in the Appendix to this Agreement.

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to six million five hundred thousand Special Drawing Rights (SDR 6,500,000) (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. The Recipient’s Representative for purposes of taking action required or permitted to be taken pursuant to this Section for the purposes of Parts A.1, B and D of the Project is the Chief Executive Officer of the Project Implementing Entity.
- 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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 December 15 and June 15 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.07. The Payment Currency is Dollars.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out Part C of the Project through RREA and cause Parts A, B and D of the Project to be carried out by the Project Implementing Entity in accordance with the provisions of Article IV of the General Conditions and the Project Agreement.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Event of Suspension consists of the following:
 - (a) The Project Implementing Entity's Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Project Implementing Entity to perform any of its obligations under the Project Agreement.
- 4.02. The Co-financing Deadline for the effectiveness of the Co-financing Agreements is one year of the Effectiveness Date, or such later date as the Association may agree in writing.
- 4.03. The Additional Event of Acceleration consists of the following:
 - (a) Any event specified in paragraph (a) of Section 4.01 of this Agreement occurs and is continuing for a period of 60 days after notice of the event has been given by the Association to the Recipient.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Condition of Effectiveness consists of the following:
 - (a) The Subsidiary Agreement has been executed on behalf of the Recipient and the Project Implementing Entity, in a manner satisfactory to the Association.
- 5.02. The Additional Legal Matter consists of the following:
 - (a) The Subsidiary Agreement has been duly authorized or ratified by the Recipient and the Project Implementing Entity and is legally binding upon the Recipient and the Project Implementing Entity in accordance with its terms.

- 5.03. The Effectiveness Deadline is the date ninety days after the date of this Agreement.
- 5.04. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty years after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 6.01. Except as provided in Section 2.02 of this Agreement, the Recipient's Representative is its Minister of Finance.

- 6.02. The Recipient's Address is:

Minister of Finance
Ministry of Finance
Broad Street
1000 Monrovia 10
Republic of Liberia

e-mail: communications@mofliberia.org

- 6.03. The Association's Address is:

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

Facsimile: 1-202-477-6391

AGREED at Monrovia, Republic of Liberia, as of the day and year first above written.

REPUBLIC OF LIBERIA

By

/s/ Augustine K. Ngafuan
Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

/s/ Ohene Owusu Nyanin
Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to improve and increase access to electricity in Liberia.

The Project consists of the following Parts:

Part A: Enhancement of Distribution Services

1. Distribution Network Reinforcement and Extension

Expansion and upgrading of the distribution network supplying the urban areas of Monrovia, through the provision of distribution network equipment and installation services.

2. Support for the Connection of Low-Income Customers

Provision of subsidies to the Project Implementing Entity on account of new subsidized electricity connections made to qualifying low income neighborhoods in the Project service area.

3. Improvement of Distribution Grids

Reinforcement, rehabilitation and expansion of medium and low voltage distribution grids supplying electricity to urban areas of Monrovia.

Part B: Enhancement of Options for Power Generation

Rehabilitation of bulk handling infrastructure related to receiving, delivering and storing heavy fuel oil (HFO) supplies intended for power generation operations at the HFO-fired power plant at Bushrod Island; and provision of first-phase overhaul maintenance of the existing diesel generator units in Monrovia.

Part C: Provision of Modern Renewable Energy to Off-Grid Users

1. Establishment of a solar off-grid rural electrification program to electrify about 6-8 towns in rural Liberia, through the application of Sustainable Solar Market Packages (SSMPs) approach.

2. Rehabilitation of one microhydropower plant in Lofa county.

3. Provision of technical assistance to strengthen the capacity of RREA to develop policy foundations and strategy work to implement Part C of the Project.

Part D: Technical Assistance

Provision of technical assistance to support the implementation of the Project, including training the staff of the Project Implementing Entity, the MLME and other energy agencies of the Recipient, implementation of measures prescribed in the ESMF and RPF, and carrying out Project Implementing Entity's annual financial audits.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. **Subsidiary Agreement**

1. To facilitate the carrying out of the Project Implementing Entity's Parts of the Project, the Recipient shall make the portion of the proceeds of the Financing allocated from time to time to Categories (1) – (4) of the table set forth in Section IV.A.2 of this Schedule available, in the form of a grant, to the Project Implementing Entity under a subsidiary agreement between the Recipient and the Project Implementing Entity, under terms and conditions acceptable to the Association, which shall include, without limitation, the following provision:

“The principal amount of the Grant made available under the Subsidiary Agreement (“Subsidiary Grant”) shall be: (a) denominated in dollars” (“Subsidiary Agreement”).

2. Without limitation upon the provisions of Paragraph A.1 of this Section I, to facilitate the carrying out of the Project Implementing Entity's Parts of the Project, the Recipient, under the Subsidiary Agreement, shall, *inter alia*, require the Project Implementing Entity to:
 - (i) maintain until the completion of the Project, a Project Implementation Team (PIT) in form and substance and with resources and staff qualifications and experience satisfactory to the Association, with responsibility for implementing its Parts of the Project;
 - (ii) implement its Parts of the Project in accordance with the Anti-Corruption Guidelines and the Safeguards Instruments as appropriate and not to assign, amend, abrogate or waive these instruments without the Association's prior written concurrence;
 - (iii) include in its Project Reports to the MLME to be submitted every three months:
 - (a) the status of: (a) engineering, procurement and construction contracts and the Project Implementing Entity's activities; (b) project cost and disbursement; and (c) the results monitoring indicators for its Parts of the Project; and
 - (b) progress made on compliance with environmental and social safeguards measures under its Parts of the Project;

- (iv) submit to the MLME the Project Reports referred to above not later than two weeks after the end of the period covered by such reports for forwarding to the Association; and
 - (v) maintain a financial management system, prepare Financial Statements and conduct audits on the Financial Statements in accordance with standards acceptable to the Association.
3. The Recipient shall exercise its rights and carry out its obligations under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, waive or fail to enforce any provision of the Subsidiary Agreement if any such action may, in the opinion of the Association, materially or adversely affect the implementation of 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

1. Without limitation to any provisions within this Agreement, the Recipient shall, except as otherwise agreed in writing by the Association:
- (a) implement the Project, or cause it to be implemented, in accordance with the ESMF and RPF;
 - (b) in case of any activity under the Project requiring the adoption of an ESMP or RAP:
 - (i) proceed to have such ESMP or RAP, as the case may be: (A) prepared in accordance with the applicable framework; (B) submitted to the Association for review and approval; and (C) thereafter adopted, prior to implementation of the activity; and
 - (ii) thereafter take such measures as shall be necessary or appropriate to ensure compliance with the requirements of such ESMP or RAP; and
 - (c) in the case of any resettlement activity under the Project involving Affected Persons, ensure that no displacement (including restriction of access to legally designated parks and protected areas) shall occur before

necessary resettlement measures consistent with the RAP are in place, including, in the case of displacement, full payment to Affected Persons of compensation and of other assistance required for relocation, prior to displacement.

2. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall regularly collect from the Project Implementing Entity, compile and submit to the Association on a quarterly basis reports in form and substance satisfactory to the Association on the status of compliance with the ESMF, RPF, ESMPs and RAPs, if any, as part of the Project Reports, giving details of:
 - (a) measures taken in furtherance of such ESMF, RPF, ESMPs and RAPs, if any;
 - (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such ESMF, RPF, ESMPs and RAPs, if any; and
 - (c) remedial measures taken or required to be taken to address such conditions.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. 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 agreed with the Association and set forth in the Side Letter Agreement between the Recipient and the Association, of even date herewith. Each Project Report shall cover the period of one calendar quarter, and shall be furnished to the Association not later than one month after the end of the period covered by such report.

B. 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 forty-five 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)	Limited International Bidding
(b)	National Competitive Bidding, subject to the provisions of paragraph 3 of this part B
(c)	Shopping
(d)	Force Account
(e)	Direct Contracting

3. **Exceptions to National Competitive Bidding Procedures.** The following provisions shall apply to the procurement of goods and works under National Competitive Bidding procedures: (a) foreign bidders shall be allowed to participate in National Competitive Bidding procedures; (b) bidders shall be given at least one month to submit bids from the date of the invitation to bid or the date of availability of bidding documents, whichever is later; (c) no domestic preference shall be given for domestic bidders and for domestically manufactured goods; and (d) in accordance with paragraph 1.14 (e) of the Procurement Guidelines, each bidding document and contract financed out of the proceeds of the Financing shall provide that: (i) the bidders, suppliers, contractor and subcontractors shall permit the Association, at its request, to inspect their accounts and records relating to the bid submission and performance of the contract, and to have said accounts and records audited by auditors appointed by the Association: and (ii) the deliberate and material violation by the bidder, supplier, contractor or subcontractor of such provision may amount to an obstructive practice as defined in paragraph 1.14(a)(v) of the Procurement Guidelines.

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)	Quality-Based Selection
(b)	Least-Cost Selection
(c)	Selection Based on Consultants' Qualifications
(d)	Single-Source Selection
(e)	Selection of Individual Consultants
(f)	Fixed Budget Selection

D. Review by the Association of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Association's prior review. All other contracts shall be subject to post review by the Association. 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 Credit to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Credit Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, consultants' services and Operating Costs under Part A (1) of the Project	2,500,000	100%
(2) Goods, works, consultants' services and Operating Costs under Part B of the Project	3,000,000	100%
(3) Goods, works, consultants' services, Training and Operating Costs under Part D of the Project	500,000	100%
(4) Unallocated	500,000	N/A
TOTAL AMOUNT	6,500,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed \$2,000,000 equivalent may be made for payments made prior to this date but on or after November 1, 2010, for Eligible Expenditures.
2. The Closing Date is June 16, 2014.

Section V. Other Undertakings

1. The Recipient shall ensure the maintenance of a sound managerial capacity within the Project Implementing Entity as necessary for the successful implementation of the Project, in particular, that the defined technical core competencies, resources and performance standards of the Project Implementing Entity as have been furnished pursuant to the Management Contract shall remain

in place during the implementation of the Project. In the event of any premature termination of the Management Contract, to the extent that such termination may, in the opinion of the Association, result in an adverse effect on the successful accomplishment of the objective of the Project, the Recipient shall ensure the provision of an adequate alternative capacity within the Project Implementing Entity, with comparable technical core competencies, resources and achievement of performance standards necessary to carry out the Project, acceptable to the Association.

2. Without limitation upon the provisions of Paragraph 1 of this Section V, and except as the Association shall otherwise agree, the Recipient shall exercise its rights and carry out its obligations under any material energy-related contract or arrangement in a manner which would not adversely affect the financial condition of the Project Implementing Entity or its ability to perform any of its obligations under the Project Agreement. In the event that the Recipient shall have exercised its rights or carried out its obligations under any such energy-related contract or arrangement in a manner which, independent of the Project Implementing Entity's own actions, adversely affects the financial condition of the Project Implementing Entity or its ability to perform any of its obligations under the Project Agreement, the Recipient shall compensate the Project Implementing Entity on account of such contract or arrangement so as to ensure the continuing ability of the Project Implementing Entity to accomplish the objective of the Project.
3. Without limitation upon the provisions of Paragraphs 1 and 2 of this Section V, and except as the Association shall otherwise agree, in the event that the Recipient enters into any material energy-related contract or arrangement which could, independent of the Project Implementing Entity's own actions, adversely affect the financial condition of the Project Implementing Entity or its ability to perform any of its obligations under the Project Agreement, the Recipient shall compensate the Project Implementing Entity on account of such contract or arrangement so as to ensure the continuing ability of the Project Implementing Entity to accomplish the objective of the Project.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each December 15 and June 15:	
commencing December 15, 2020 to and including June 15, 2030	1%
commencing December 15, 2030 to and including June 15, 2050	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

Section I. Definitions

1. “Affected Persons” means persons who, on account of an involuntary taking of land under the Project, had or would have their: (a) standard of living adversely affected; or (b) right, title or interest in any house, land (including premises, agricultural and grazing land) or any other fixed or movable asset acquired or possessed, temporarily or permanently; or (c) access to productive assets adversely affected, temporarily or permanently; or (d) business, occupation, work or place of residence or habitat adversely affected, temporarily or permanently; and “Affected Person” means any of the Affected Persons.
2. “AFREA” means the Africa Renewable Energy Access Fund.
3. “AFREA Grant Agreement” means the grant agreement to be entered between the Recipient and AFREA for the financing of Part C of the Project, as the same may be amended from time to time, and such terms includes all schedules to the AFREA Grant Agreement.
4. “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, with the modifications set forth in Section II of this Appendix.
5. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
6. “Co-financier” means any or more of the following: the Government of Norway, the World Bank acting as an administrator of GPOBA and the World Bank acting as an administrator of AFREA, referred to in paragraph 10 of the Appendix to the General Conditions.
7. “Co-financing” means an amount of approximately US\$29,000,000 in the case of the Government of Norway grant, an amount of approximately US\$10,000,000 in the case of the GPOBA grant and an amount of US\$2,000,000 in the case of the AFREA grant, to be provided by the Co-financiers to assist in financing Parts A3, A.2, and C respectively, of the Project.
8. “Co-financing Agreement” means any or more of the following: Government of Norway Grant Agreement (as defined herein), GPOBA Grant Agreement (as defined herein), and AFREA Grant Agreement (as defined herein), entered into or to be entered into, as the case may be, between the Recipient and the Co-financiers providing for the Co-financing.

9. “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 and May 2010.
10. “Environmental and Social Management Framework” or “ESMF” means the framework disclosed in country on September 13, 2010 and at the Association’s *Infoshop* on September 14, 2010, in form and substance satisfactory to the Association, setting out modalities to be followed in assessing the potential adverse environmental and social impact associated with activities to be implemented under the Project, and the measures to be taken to offset, reduce, or mitigate such adverse impact.
11. “Environmental and Social Management Plan” or “ESMP” means a plan, approved by the Association for the Project, to be prepared by the Recipient, if as required by the ESMF, proposing appropriate mitigation, monitoring and institutional measures designed to mitigate potential adverse environmental and resettlement impacts, offset them, reduce them to acceptable levels or enhance positive impacts, as the same may be amended from time to time with the agreement of the Association.
12. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010.
13. “Government of Norway Grant Agreement” means the grant agreement to be entered between the Recipient and the Government of Norway for the financing of Part A.3 of the Project, as the same may be amended from time to time, and such terms includes all schedules to the Government of Norway Grant Agreement.
14. “GPOBA” Global Partnership on Output-Based Aid means the partnership of donors and international organizations working together to support output-based aid (OBA) approaches.
15. “GPOBA Grant Agreement” means the grant agreement to be entered between the Recipient and GPOBA for the financing of Part A.2 of the Project, as the same may be amended from time to time, and such terms includes all schedules to the GPOBA Grant Agreement.
16. “Management Contract” means the Recipient’s contract among The Liberia Electricity Corporation, the Ministry of Lands, Mines and Energy and Manitoba Hydro International, Limited, dated April 16, 2010.
17. “MLME” means the Recipient’s Ministry of Lands, Mines and Energy.

18. “Operating Costs” means incremental recurrent expenditures incurred on account of Project implementation, including: local contractual support staff salaries; travel expenditures and other travel-related allowances; equipment rental and maintenance; vehicle operation (including fuel), maintenance and repair; office rental and maintenance, materials and supplies; and utilities, media information campaigns and communications’ expenses, but excluding the salaries of officials and public servants of the Recipient’s civil service.
19. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October, 2006 and May 2010.
20. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated October 29, 2010 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.
21. “Project Implementation Team” or “PIT” means the project implementation team within the Project Implementing Entity as referred to in Section I.A (2)(i) of Schedule 2 to this Agreement, which will include, at a minimum, a Project Coordinator, a Procurement Specialist, a Financial Management Specialist and an Environmental Specialist.
22. “Project Implementing Entity” means Liberia Electricity Corporation, established pursuant to An Act to Amend the Public Authorities Law to Create the Liberia Electricity Corporation, approved on July 12, 1973 and published on July 24, 1973.
23. “Project Implementing Entity’s Legislation” means An Act to Amend the Public Authorities Law to Create the Liberia Electricity Corporation, approved on July 12, 1973 and published on July 24, 1973.
24. “Resettlement Action Plan” or “RAP” means the plan prepared by the Recipient on the basis of the RPF (as hereinafter defined) as the said document may be amended and/or supplemented from time to time with the prior written concurrence of the Association and subject to the initial consultation and disclosure requirements carried out on the RAP.
25. “Resettlement Policy Framework” or “RPF” means the Resettlement Policy Framework of the Recipient disclosed in country on September 13, 2010, and at the Association’s *Infoshop* on September 14, 2010, outlining the policies and procedures to be implemented in the event that specific activities implemented under the Project have potentially negative impacts on the livelihoods, assets and land of the affected population, as the said framework may be amended and/or

supplemented with time to time with the prior written consent of the Association, and such term includes any schedules to such document.

26. “RREA” means the Rural and Renewable Energy Agency of the Recipient, established pursuant to Executive Order No. 23 of January, 2010.
27. “Safeguards Instruments” means the ESMF, the RPF and any Supplemental Social and Environmental Safeguard Instruments.
28. “Side Letter Agreement” means the side letter agreement between the Recipient and the Association, of even date herewith, detailing the agreed results framework and monitoring indicators.
29. “Subsidiary Agreement” means the agreement referred to in Section I.A of Schedule 2 to this Agreement pursuant to which the Recipient shall make the proceeds of the Financing available to the Project Implementing Entity, as the same may be amended from time to time, and such term includes all schedules to the Subsidiary Agreement.
30. “Supplemental Social and Environmental Safeguard Instruments” means any ESMP, RAP, or other supplemental social and environmental safeguard instruments as required under the terms of any of the ESMF or RPF.
31. “Training” means the training of persons under the Project, including seminars, workshops, knowledge sharing activities and study tours, and covers the following costs associated with such activity: 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.

Section II. Modifications to the Anti-Corruption Guidelines

The modifications to the Anti-Corruption Guidelines are as follows:

1. Section 5 is re-numbered as Section 5(a) and a new Section 5(b) is added to read as follows:

“... (b) These Guidelines also provide for the sanctions and related actions to be imposed by the Bank on Borrowers (other than the Member Country) and all other individuals or entities who are recipients of Loan proceeds, in the event that the Borrower or the individual or entity has been debarred by another financier as a result of a determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

2. Section 11(a) is modified to read as follows:

“... (a) sanction in accordance with prevailing Bank’s sanctions policies and procedures (fn13) a Borrower (other than a Member Country) (fn 14) or an individual or entity, including (but not limited to) declaring such Borrower, individual or entity ineligible publicly, either indefinitely or for a stated period of time: (i) to be awarded a Bank-financed contract; (ii) to benefit from a Bank-financed contract, financially or otherwise, for example as a sub-contractor; and (iii) to otherwise participate in the preparation or implementation of the project or any other project financed, in whole or in part, by the Bank, if at any time the Bank determines (fn 15) that such Borrower, individual or entity has engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in connection with the use of loan proceeds, or if another financier with which the Bank has entered into an agreement for the mutual enforcement of debarment decisions has declared such person or entity ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

Footnotes:

“13. An individual or entity may be declared ineligible to be awarded a Bank financed contract upon completion of sanctions proceedings pursuant to the Bank’s sanctions policies and procedures, or under the procedures of temporary suspension or early temporary suspension in connection with an ongoing sanctions proceeding, or following a sanction by another financier with whom the Bank has entered into a cross debarment agreement, as a result of a determination by such financier that the firm or individual has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

“14. Member Country includes officials and employees of the national government or of any of its political or administrative subdivisions, and government owned enterprises and agencies that are not eligible to bid under paragraph 1.8(b) of the Procurement Guidelines or participate under paragraph 1.11(c) of the Consultant Guidelines.”

“15. The Bank has established a Sanctions Board, and related procedures, for the purpose of making such determinations. The procedures of the

Sanctions Board sets forth the full set of sanctions available to the Bank. In addition, the Bank has adopted an internal protocol outlining the process to be followed in implementing debarments by other financiers, and explaining how cross-debarments will be posted on the Bank's website and otherwise be made known to staff and other stakeholders.”