

CONFORMED COPY

GRANT NUMBER H370-BI

Financing Agreement

(Multisectoral Water and Electricity Infrastructure Project)

between

REPUBLIC OF BURUNDI

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated June 25, 2008

GRANT NUMBER H370-BI

FINANCING AGREEMENT

AGREEMENT dated June 25, 2008, entered into between the REPUBLIC OF BURUNDI (“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 grant in an amount equivalent to thirty million four hundred thousand Special Drawing Rights (SDR 30,400,000) (variously, “Grant”, 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 The Maximum Commitment Charge Rate payable by the Recipient on the Un-withdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Payment Dates are April 15 and October 15 in each year.
- 2.05. The Payment Currency is the Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall cause the Project to be carried out by the Project Implementing Entity 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 — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Events of Suspension consist of the following:

The Project Implementing Entity’s Legislation has been amended, suspended, abrogated, repealed, or waived so as to affect materially and adversely the ability of the Project Implementing Entity to perform any of its obligations under the Project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 Additional Event of Acceleration consists of the following:

The event specified in paragraph (a) of Section 4.01 of this Agreement occurs.

ARTICLE V — EFFECTIVENESS; TERMINATION

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

- (a) The Subsidiary Agreement, in form and substance satisfactory to the Association, has been executed on behalf of the Recipient and the Project Implementing Entity.
- (b) The Project Implementation Manual, in form and substance satisfactory to the Association, has been adopted by the Recipient.
- (c) The Steering Committee, with an institutional framework, functions, and resources satisfactory to the Association, and comprising at least the director general of the Project Implementing Entity, its directors, and a representative each of the Recipient’s ministries at the time responsible

for finance, and water and electricity, respectively, has been established under the supervisory authority of the Project Implementing Entity.

- (d) The Project Implementation Unit, with an institutional framework, functions, and resources satisfactory to the Association, has been established by the Project Implementing Entity, and a Project coordinator, a hydraulic engineer, an electrical engineer, a financial management specialist and certified accountant, a procurement specialist, an environmental and social specialist, and an administrative assistant, all with qualifications, experience, and terms of reference satisfactory to the Association, have been appointed to said Unit in accordance with the provisions of Section III of Schedule 2 to this Agreement as applicable.
- (e) The Performance Contract, in form and substance satisfactory to the Association, has been executed on behalf of the Recipient, represented by its ministries at the time responsible for finance, and water and electricity, respectively, and the Project Implementing Entity, said Contract including the following: (i) the obligation of the Recipient to ensure the financial health of the Project Implementing Entity; and (ii) the obligation of the Project Implementing Entity to provide water and electricity services in accordance with the annual efficiency indicator targets set out in said Contract.

5.02. The Additional Legal Matter consists of the following:

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 (90) 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 (20) years after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient's Representative is its minister at the time responsible for finance.

6.02. The Recipient's Address is:

Ministry of Economy, Finance, and Development Cooperation
P. O. Box 1830
Bujumbura
Burundi

Telex:	Facsimile:
5135 MINIFINBDI	257-22-22-38-27

6.03. The Association's Address is:

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

Cable:	Telex:	Facsimile:
INDEVAS Washington, D.C.	248423 (MCI)	1-202-477-6391

AGREED at Bujumbura, Burundi, as of the day and year first above written.

REPUBLIC OF BURUNDI

By /s/ Clotilde NIZIGAMA

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Alassane SOW

Authorized Representative

SCHEDULE 1

Project Description

The objectives of the Project are to increase access to water supply services in peri-urban areas of Bujumbura, increase the quality and reliability of the Recipient's electricity services, increase the quality and reliability of the Recipient's water supply services in Bujumbura, and strengthen the financial sustainability of the Project Implementing Entity.

The Project consists of the following parts:

1. Electricity Supply System
 - (a) Provision of support to operation of thermal generation plant, principally in relation to procurement of diesel fuel.
 - (b) Rehabilitation of backbone transmission and distribution network, including replacement of significant protection equipment for substations and restoration of communications functions between control center and various station operators.
 - (c) Carrying out of pre-feasibility and feasibility studies in relation to small-size run-of-the-river hydropower plants.
 - (d) Carrying out of revenue collection program, including acquisition and installation of pre-payment electricity meters for household consumers and public institutions, adapted metering for large consumers and industries, and renewal of obsolete electricity meters.
 - (e) Carrying out of demand-side management program, including distribution and promotion of compact fluorescent lights, carrying out of audit of energy consumption of Project Implementing Entity, and promotion of energy efficiency investments by large consumers.
2. Urban Water Supply System
 - (a) Carrying out of non-revenue water reduction program, including provision of technical advisory services to Project Implementing Entity for development of comprehensive non-revenue water reduction action

plan and acquisition of specific equipment, such as leak detection equipment, water flow meters, regulator pressure and pressure reducing valves, and connection standardization equipment, for implementation of said plan.

- (b) Expansion of water treatment capacity, including addition of fourth slow sand filter to *Usine du Lac* water filtration plant, reservoir, and one-pump pumping station.
- (c) Expansion of primary distribution network of northern Bujumbura, including provision and installation of transmission mains and construction of storage reservoirs and pumping station.
- (d) Extension of secondary distribution networks and expansion of stand-posts, including rehabilitation and upgrading or installation of public stand-posts, with focus on five (5) areas of deep poverty and high proportion of displaced and resettled persons in northern and eastern peri-urban Bujumbura.
- (e) Provision of technical advisory services to Project Implementing Entity with regard to preparation of detailed technical designs and specifications for bidding documents in relation to, and supervision of, works under Part 2 (b), (c), and (d) of Project.

3. Institutional Strengthening and Capacity Building

- (a) Provision of support to implementation, particularly monitoring and enforcement, of Performance Contract between Recipient and Project Implementing Entity, including establishment of monitoring unit and carrying out of periodic external evaluation of said contract.
- (b) Provision of capacity-building support to Project Implementing Entity with regard to financial and operational management.
- (c) Provision of capacity-building support to Recipient's ministry at the time responsible for water and electricity with regard to policy and sectoral strategy formulation.
- (d) Establishment of private operator delegated stand-post management program under Project Implementing Entity.

- (e) Provision of capacity-building support to Project Implementing Entity with regard to carrying out of public consultation and awareness activities and collection of monitoring data through regular surveys.
- (f) Provision of capacity-building support to Project Implementation Unit with regard to Project implementation and financing of Operating Costs.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Project Implementing Entity shall be responsible for Project coordination and implementation in accordance with the following institutional arrangements.

Steering Committee

2. The Recipient shall cause the Project Implementing Entity to maintain, throughout Project implementation, the Steering Committee referred to in Section 5.01 (c) of this Agreement, with an institutional framework, functions, and resources satisfactory to the Association, and comprising at least the director general of the Project Implementing Entity, its directors, and a representative each of the Recipient's ministries at the time responsible for finance, and water and electricity, respectively.
3. Without prejudice to the provisions of paragraph 2 of this Section, the Steering Committee shall be responsible for the provision of overall strategic orientation to the Project, ascertainment of Project results, ensuring Project alignment with the Recipient's overall water and electrification service improvement programs, and ensuring fulfillment of the expectations of the principal Project beneficiaries.

Project Implementation Unit

4. The Recipient shall cause the Project Implementing Entity to maintain, throughout Project implementation, the Project Implementation Unit, with an institutional framework, functions, and resources satisfactory to the Association for purposes of Project implementation, including the staff referred to in Section 5.01 (d) of this Agreement.
5. Without prejudice to the provisions of paragraph 4 of this Section, the Project Implementing Entity shall be responsible for day-to-day coordination and monitoring and evaluation of Project implementation and financial and administrative management under the Project.

B. Subsidiary Agreement

1. To facilitate the carrying out of the Project, the Recipient shall make the proceeds of the Financing available to the Project Implementing Entity under a subsidiary agreement between the Recipient and the Project Implementing Entity, under terms and conditions approved by the Association, which shall include the following (“Subsidiary Agreement”):
 - (a) The Recipient shall provide the proceeds of the Financing to the Project Implementing Entity on terms and conditions satisfactory to the Association.
 - (b) The Project Implementing Entity shall perform all of its obligations under the Project Agreement.
 - (c) Procurement of the goods, works, and services required for the Project shall be governed by the provisions of Section III of Schedule 2 to this Agreement, as said provisions may be further elaborated in the Procurement Plan.
 - (d) The Project Implementing Entity shall ensure that the Project is implemented in accordance with the provisions of the Project Implementation Manual, and, except as the Association shall otherwise agree, the Project Implementing Entity shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.
 - (e) The Project Implementing Entity shall ensure that the Project is carried out in accordance with the provisions of the Environmental and Social Management Framework and the Resettlement Policy Framework, 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, the aforementioned, or any provision thereof.
2. The Recipient shall exercise its rights 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, 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, the aforementioned, or any provision thereof.

C. Anti-Corruption

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

D. Manual

1. The Recipient shall: (i) ensure that the Project is carried out in accordance with the Project Implementation Manual; and (ii) except as the Association shall otherwise agree, not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.
2. In the event of any conflict between the provisions of the Project Implementation Manual and those of this Agreement, the latter shall prevail.

E. Safeguards

1. The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Environmental and Social Management Framework and the Resettlement Policy Framework, 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, the aforementioned, or any provision thereof.
2. In the event of any conflict between the provisions of the Environmental and Social Management Framework, or the Resettlement Policy Framework, and those of this Agreement, the provisions of this Agreement shall prevail.

Section II. Project Monitoring, Reporting and Evaluation**A. Project Reports**

1. (a) The Recipient shall cause the Project Implementing Entity to 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 (1) calendar quarter, and shall be furnished to the Association not later than one (1) month after the end of the period covered by such report.

- (b) The performance indicators referred to above in sub-paragraph (a) consist of the following:

No.	Indicator
	Project Objectives
1.	Number of persons with access to stand-posts or private connections in selected peri-urban areas of Bujumbura
2.	Unplanned power interruptions (Minutes of unplanned medium-voltage interruptions / quarter)
3.	Number of persons with access to potable water in other areas of Bujumbura
4.	Full coverage of operations and maintenance costs (including depreciation) of Project Implementing Entity through revenues (Percentage)
	Part 1 of Project
5.	Increase in power generation from additional sources (Gigawatt hours / year)
6.	Reduction in technical and non-technical losses (Percentage of kilowatt hours billed / Kilowatt hours produced)
	Part 2 of Project
7.	Increase in production capacity (Cubic meters / day)
8.	Number of functioning stand-posts
9.	Non-revenue water (Percentage)
	Part 3 of Project
10.	Collection efficiency of Project Implementing Entity (Percentage of billing revenues / amount billed)
11.	Average number of unconnected persons served per stand-post in selected Project areas
12.	Preparation of strategic water and electricity sector plans

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 ensure that the Project Implementing Entity prepares and furnishes to the Association as part of the Project Report, interim un-audited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.
3. The Recipient shall cause the Project Implementing Entity to 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 (1) fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) 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) National Competitive Bidding
(b) Shopping
(c) Direct Contracting

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

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 goods estimated to cost the equivalent of \$250,000 or more; (b) each contract for works estimated to cost the equivalent of \$500,000 or more; (c) the first contract for goods or works procured on the basis of Direct Contracting; (d) each contract for consultants' services with specific and exclusive regard to the terms of reference of said contract; (e) each contract for consultants' services provided by a firm estimated to cost the equivalent of \$100,000 or more; (f) each contract for consultants' services provided by an individual estimated to cost the equivalent of \$50,000 or more; (g) each contract for consultants' services procured on the basis of Single Source Selection; and (h) each contract for Training, including workshops and study tours, in accordance with the provisions of the Project Implementation Manual. All other contracts shall be subject to Post Review by the Association.

Section IV. Withdrawal of the Proceeds of the Financing**A. General**

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: (a) repay the Project Preparation Advance in accordance with Section 2.07 of the General Conditions; and (b) finance 100% (exclusive of Taxes) of other Eligible Expenditures, consisting of goods, works, non-consulting services, consultants' services (including for audits), Training, and Operating Costs.

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.
2. The Closing Date is June 30, 2013.

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

The Recipient shall, no later than three (3) months after the Effective Date, cause the Project Implementing Entity to appoint, in accordance with the provisions of Section III of this Schedule, external auditors, with qualifications, experience, and terms of reference satisfactory to the Association, for purposes of the carrying out of the audit referred to in Section II.B.3 of this Schedule.

B. Technical Auditors

1. The Recipient shall cause the Project Implementing Entity to have the Performance Contract audited on an annual basis. Each audit of the Performance Contract shall cover the period of one (1) fiscal year of the Recipient. The audit report for each such period shall be furnished to the Association not later than six (6) months after the end of such period.
2. The Recipient shall cause the Project Implementing Entity to appoint, no later than six (6) months after the Effective Date, in accordance with the provisions of Section III of this Schedule, technical auditors, with qualifications, experience, and terms of reference satisfactory to the Association, for purposes of the carrying out of the audit referred to in paragraph 1 above.

C. Financial Management System

The Recipient shall cause the Project Implementing Entity to acquire and install, no later than six (6) months after the Effective Date, for purposes of Project implementation, an integrated financial management system satisfactory to the Association.

D. Annual Work Plans and Budgets

The Recipient shall cause the Project Implementing Entity to:

- (a) furnish to the Association and the Recipient as soon as available, but in any case not later than November 30 of each year, the annual work plan and budget for the Project for each subsequent year of Project implementation, of such scope and detail as the Association shall have reasonably requested, except for the annual work plan and budget for the

Project for the first year of Project implementation, which shall be furnished no later than one (1) month after the Effective Date; and

- (b) thereafter ensure that the Project is carried out in accordance with said plans and budgets.

E. Semi-Annual Reviews

The Recipient shall cause the Project Implementing Entity to:

- (a) maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with the indicators referred to in Section II.A.1 (a) of Schedule 2 to this Agreement, the carrying out of the Project and the achievement of the objectives thereof;
- (b) prepare, under terms of reference satisfactory to the Association, and furnish to the Association and the Recipient, no later than February 1 and August 1 of each year, a report integrating the results of the monitoring and evaluation activities performed pursuant to paragraph (a) of this Section, on the progress achieved in the carrying out of the Project during the period preceding the date of said report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives thereof during the period following such date; and
- (c) review with the Association and the Recipient, no later than March 1 and September 1, respectively, or such later dates as the Association shall request, the report referred to in paragraph (b) of this Section, and, thereafter, take all measures required to ensure the efficient completion of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of the said report and the Association's views on the matter.

F. Midterm Review

The Recipient shall cause the Project Implementing Entity to:

- (a) carry out jointly with the Association and the Recipient, no later than 30 months after the Effective Date, a midterm review to assess the status of Project implementation, as measured against the performance indicators referred to in Section II.A.1 (a) of Schedule 2 to this

Agreement. Such review shall include an assessment of the following: (i) overall progress in Project implementation; (ii) results of monitoring and evaluation activities; (iii) annual work plans and budgets; (iv) progress on procurement and disbursement; and (v) Project implementation arrangements; and make adjustments to the Project and reallocate funds to improve performance, if needed;

- (b) prepare and furnish to the Association and the Recipient, at least three (3) months before such review, a report, in scope and detail satisfactory to the Association, needed to undertake the review, integrating the results of the monitoring and evaluation activities performed pursuant to paragraph (a) of this Section on the progress achieved in the carrying out of the Project during the period preceding the date of the said report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives thereof during the period following such date; and
- (c) review, jointly with the Association and the Recipient, the report referred to in paragraph (b) of this Section and thereafter take all measures required to ensure the efficient completion of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of the said report and the Association's views on the matter.

G. Financial Restructuring of Project Implementing Entity

The Recipient shall, no later than December 31, 2008, carry out a financial restructuring of the Project Implementing Entity, in a manner satisfactory to the Association and as outlined in the Recipient's letter of April 7, 2008 to the Association.

APPENDIX

Definitions

1. “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.
2. “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.
3. “Environmental and Social Management Framework” means the Recipient’s framework, dated December 2007, agreed with the Association and setting out mitigation, enhancement, monitoring, and institutional measures, including capacity building through training, that have been identified by the Recipient to eliminate any adverse environmental and social impacts of Project activities, offset them, or reduce them to acceptable levels, or enhance positive impacts, as the same may be modified from time to time with the concurrence of the Association, and such term includes any schedules to said Framework.
4. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005 (as amended through October 15, 2006).
5. “Operating Costs” means the incremental expenses incurred by the Project Implementing Entity, based on the annual budgets referred to in Section V.D of Schedule 2 to this Agreement as approved by the Association, on account of Project implementation, management, and monitoring and evaluation, including for utilities and supplies, bank charges, communications, vehicle operation, maintenance, and insurance, office space rental, building and equipment maintenance, public awareness-related media expenses, travel and supervision, and salaries of contractual and temporary staff, but excluding salaries, fees, honoraria, and bonuses of members of the Recipient’s civil service.
6. “Performance Contract” means the agreement between the Recipient and the Project Implementing Entity, with regard to the financial and operational performance of the latter.
7. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October, 2006.

8. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated April 14, 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.
9. “Project Agreement” means the agreement between the Association and the Project Implementing Entity, of even date herewith, as the same may be amended from time to time, including all its schedules and agreements supplemental thereto.
10. “Project Implementation Manual” means the Recipient’s manual, referred to in Section 5.01 (b) of this Agreement, agreed with the Association and outlining implementation, organizational, administrative, monitoring and evaluation, environmental and social monitoring and mitigation, financial management, disbursement, and procurement arrangements for purposes of Project implementation, as the same may be amended from time to time with the written concurrence of the Association, and such term includes any schedules to said Manual.
11. “Project Implementation Unit” means the unit referred to in Section 5.01 (d) of this Agreement and whose responsibilities under the Project are set out in Section I.A.5 of Schedule 2 to this Agreement.
12. “Project Implementing Entity” means the Water and Electricity Production and Distribution Company (*Régie de Production et de Distribution d’Eau et d’Electricité*).
13. “Project Implementing Entity’s Legislation” means the Recipient’s Decree No. 94-391, dated November 2, 1994.
14. “Project Preparation Advance” means the advance referred to in Section 2.07 of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association on January 16, 2007 and on behalf of the Recipient on January 23, 2007.
15. “Resettlement Policy Framework” means the Recipient’s framework, dated December 2007, agreed with the Association and setting out outlining arrangements for the resettlement and compensation of persons affected by potential changes in land use associated with activities to be implemented under the Project, as the same may be modified from time to time with the written concurrence of the Association, and such term includes any schedules to said Framework.

16. “Steering Committee” means the committee referred to in Section 5.01 (c) of this Agreement and whose responsibilities under the Project are set out in Section I.A.3 of Schedule 2 to this Agreement.
 17. “Subsidiary Agreement” means the agreement referred to in Section I.B of Schedule 2 to this Agreement pursuant to which the Recipient shall make part of the proceeds of the Financing available to the Project Implementing Entity.
 18. “Training” means the training of persons involved in Project-supported activities, based on the annual budgets referred to in Section V.D of Schedule 2 to this Agreement as approved 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 course preparation and implementation.
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