Financing Agreement

(Electricity Access and Service Expansion Project)

between

DEMOCRATIC REPUBLIC OF CONGO

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated ____________, 2017
FINANCING AGREEMENT

AGREEMENT dated 01-02-2017, entered into between the DEMOCRATIC REPUBLIC OF CONGO ("Recipient") and the 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 and a credit (collectively, "Financing") in the following amounts to assist in financing the project described in Schedule 1 to this Agreement ("Project"):

(a) an amount equivalent to eighty-six million nine hundred thousand Special Drawing Rights (SDR 86,900,000) ("Grant"); and

(b) an amount equivalent to nineteen million nine hundred thousand Special Drawing Rights (SDR 19,900,000) ("Credit").

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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 April 15 and October 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 Dollar.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out Parts B.2 and C of the Project through UCM, and shall cause Part A thereof to be carried out jointly by UCM and SNEL, and Part B.1 thereof to be carried out by the Designated Financial Intermediary, 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 and the Project Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

4.01. The Additional Events of Suspension consist 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 respective Project Agreement.

(b) The Memorandum of Understanding has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the parties thereto to perform any of their respective obligations thereunder.

4.03. The Additional Events of Acceleration consist of the following:

(a) Any event specified in paragraph (b) 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.

(b) Any 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 SNEL Subsidiary Agreement has been executed on behalf of the Recipient and the Project Implementing Entity.
(b) The Project Implementation Manual (other than the Part B.1 Operations Manual and Part B.2 Operations Manual) has been prepared and adopted, in form and substance acceptable to the Association.

(c) The Recipient has opened a designated account in a financial institution acceptable to the Association, and caused UCM to upgrade its computerized information system.

(d) The Recipient has recruited the key personnel referred to in Section I.A.1(b) of Schedule 2 to this Agreement, including the Project coordinator, social development specialist, environmental safeguards specialist, procurement specialist, administrative and financial officer, internal auditor and accountant, and prepared draft terms of reference, acceptable to the Association, for the recruitment of an external auditor.

5.02. The Additional Legal Matter consists of the following, namely that, the SNEL 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 one hundred twenty (120) 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. The Recipient's Representative is its minister in charge of finance.

6.02. The Recipient's Address is:

Ministry of Finance
Boulevard du 30 Juin - Commune de la Gombe
Kinshasa 1
Democratic Republic of Congo

Email: cabfinances@minfinrdc.com

Tel.: +243 82 58 522 40
6.03. The Association's Address is:

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

Telex: Facsimile:
248423 (MCI) 1-202-477-6391

AGREED at Kinshasa, June 13, as of the day and year first above written.

DEMOCRATIC REPUBLIC OF CONGO

By:

[Signature]
Authorized Representative

Name: Henri YAV MULANG
Title: Ministre de Finances

INTERNATIONAL DEVELOPMENT ASSOCIATION

By:

[Signature]
Authorized Representative

Name: Ahmadou Housseinou Niang
Title: Country Director
SCHEDULE 1

Project Description

The objective of the Project is to expand access to electricity in target areas.

The Project consists of the following parts:

Part A: Network Upgrades and Access Expansion in Selected SNEL Service Areas

1. Implementation of a program of improvements and expansion of electricity access in Kinshasa West, Center, and East (Kimbaseke) and other high-density areas of Kinshasa, including:
   (a) network strengthening and expansion to improve service and provide new electricity connections to high-to-low density areas deprived of electricity service ("poches noires"), through installation of new MV/LV substations, associated MV and LV lines, services drops, and prepaid meters to households, and where appropriate, introduction of pole-mounted 'MALT' transformers and other lower cost electrification techniques; and
   (b) rehabilitation and upgrading of distribution networks, including provision of substations, poles, conductors and associated hardware to ensure compliance with relevant technical and safety requirements, and prepaid meters for current regular customers and unauthorized users alike.

2. Rehabilitation of Mobayi Hydropower plant and Gbadolite distribution network, including:
   (a) rehabilitation of Mobayi run-of-river hydropower plant, including: (i) repair or replacement of faulty ancillary equipment on two non-functioning groups; (ii) emergency refurbishment of key protection and ancillary equipment on the third functioning turbine; (iii) repair or replacement of common equipment; and (iv) provision of spare parts, and training for the benefit of local operations and maintenance (O&M) team; and
   (b) rehabilitation of the transmission network from the Mobayi plant to Gbadolite, as well as strengthening and expansion of the Gbadolite network to improve service for current customers and provide new service to those without electricity connection.

3. Provision of technical advisory services and other material support and assistance to:
(a) ensure effective implementation and operation of upgraded and new infrastructure financed under the Project; and

(b) support a gender-informed communication and awareness campaign designed to reduce residential and commercial electricity theft, and address safety and bill collection concerns, as well as periodic surveys and support for the rehabilitation of SNEL's customer call center to engage consumers, document, monitor and communicate improvements, and address customer complaints and informal electricity connections.

Part B: Private Sector-based Access Expansion

1. Establishment of a credit support facility to promote private participation in electricity access expansion, using a wholesale financial institution to channel funds to Participating Financial Institutions for on-lending to eligible private sector entities to finance eligible electricity access subprojects, both grid and off-grid.

2. Establishment of an Electrification Fund to provide funding for:

   (a) subsidies to buy-down the capital and end user connection costs of subprojects, and cover the viability gap between full subproject costs and affordability to customers;

   (b) grants to implement high priority but commercially non-viable subprojects.

Part C: Sector Development and Implementation Support

Provision of technical advisory services, and other material support and assistance, to:

(a) support the establishment and operationalization of ANSER and ARE;

(b) carry out a national electrification strategy, a least-cost geospatial electricity roll out plan, an investment prospectus, feasibility studies, bidding documents and other analytical work;

(c) contribute to the development of the Recipient's vast mid-size hydro power potential, through identification of a long list of potential sites, screening of identified sites, and pre-feasibility studies of the most promising sites, as well as feasibility studies for up to three sites; and

(d) support Project implementation and monitoring, including financing of the Operating Costs of UCM, and the initial Operating Costs of ANSER and ARE.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall:

   (a) maintain UCM, with mandate, terms of reference and composition acceptable to the Association, to be responsible for the coordination of all donor-funded energy projects and, as such, to be the coordinating agency for the Project;

   (b) ensure that UCM shall be headed at all times by a Project coordinator, who shall be assisted by a social development specialist, an environmental safeguards specialist, a procurement specialist, an administrative and financial officer, an internal auditor and an accountant, and other key personnel as needed to facilitate the smooth implementation of the Project and contribute to the achievement of its objective; and

   (c) ensure that the positions of Project coordinator, social development specialist, environmental safeguards specialist, procurement specialist, administrative and financial officer, internal auditor and accountant referred to in paragraph (b) above, shall be kept filled at all times by persons having terms of reference, qualifications and experience acceptable to the Association.

2. For purposes of Part A of the Project, the Recipient shall cause UCM to act as fiduciary agency, and be responsible for procurement and financial management matters thereunder, in accordance with the Memorandum of Understanding.

B. Project Implementation Manual

The Recipient shall:

   (a) prepare and adopt a Project Implementation Manual, in form and substance acceptable to the Association, giving details of all operational guidelines and procedures as shall have been agreed with the Association for the implementation, monitoring and supervision of the Project, including:

      (i) performance indicators, monitoring and evaluation guidelines, and environmental assessment methodology;
(ii) administrative, accounting and financial procedures;
(iii) applicable procurement and disbursement guidelines;
(iv) details of the Safeguards Instruments, including Subproject-specific Safeguards Instruments, as and when they become available;
(v) the Part B.1 Operations Manual, giving details of all terms, guidelines and procedures governing the implementation, monitoring and supervision of Part B.1 of the Project, including detailed eligibility criteria governing Part B.1 Subprojects; and
(vi) the Part B.2 Operations Manual, giving details of all terms, guidelines and procedures governing the implementation, monitoring and supervision of Part B.2 of the Project, including detailed eligibility criteria governing Part B.2 Subprojects; and

(b) thereafter carry out the Project in accordance with procedures set forth in the Project Implementation Manual, and except as the Association shall otherwise agree, shall not amend or waive any provision thereof, if such amendment or waiver may, in the opinion of the Association, materially or adversely affect the implementation of the Project.

C. Anti-Corruption

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

D. Subsidiary Agreements

1. To facilitate the carrying out of Part A of the Project, the Recipient shall make part of the proceeds of the Financing allocated from time to time Part A of the Project 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 ("SNEL Subsidiary Agreement"), which shall include the following:

(a) the proceeds of the Financing made available under the SNEL Subsidiary Agreement ("SNEL Subsidiary Financing") shall be denominated and repayable in dollars, and shall be subject to the same terms as to interest and other charges as the Financing, except that, in the case of any part of the SNEL Subsidiary Financing that is derived from the Credit portion of the Financing, the Recipient may charge, in addition to the applicable interest and other charges, an additional fee of not more than three-fourths
of one percent (3/4 of 1%) per annum on the principal amount withdrawn and outstanding from time to time;

(b) the principal amount so withdrawn shall be repayable over a period corresponding to the repayment period applicable to the Credit; and

(c) the proceeds of the SNEL Subsidiary Financing shall be applied towards the execution of Part A of the Project in accordance with this Agreement, the Project Agreement and the Memorandum of Understanding.

2. To facilitate the carrying out of Part B.1 of the Project, the Recipient shall make the proceeds of the Financing allocated from time to time to Category 2 available to the Designated Financial Intermediary under a subsidiary agreement between the Recipient and the Designated Financial Intermediary, under terms and conditions approved by the Association ("DFI Subsidiary Agreement"), which shall include the following:

(a) the proceeds of the Financing made available under the DFI Subsidiary Agreement ("DFI Subsidiary Financing") shall be denominated and repayable in dollars, and charged interest and other charges on the principal amount withdrawn and outstanding from time to time at a market-determined rate, according to a formula specified in the Part B.1 Operations Manual;

(b) the principal amount so withdrawn shall be repayable over a period, including a grace period, from the date of the DFI Subsidiary Agreement not exceeding the repayment period which would apply to commercial loans provided under comparable conditions to wholesale financial intermediaries, and specified in the Part B.1 Operations Manual; and

(c) the proceeds of the DFI Subsidiary Financing shall be applied in accordance with terms, guidelines and procedures set forth in the Part B.1 Operations Manual, and the additional provisions to be included in the DFI Subsidiary Agreement and set forth in Part F of this Schedule.

3. The Recipient shall exercise its rights under the Subsidiary Agreements in such manner as to protect the interests of the Recipient and the Association, and to accomplish the purposes of the SNEL Subsidiary Financing and DFI Subsidiary Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive either or both of the Subsidiary Agreements, or any of their provisions.
E. Electrification Fund

1. To facilitate the carrying out of Part B.2 of the Project, the Recipient shall make the proceeds of the Financing allocated from time to time to Category 3 available to support the Electrification Fund in order to make Sub-financings to Beneficiaries under Sub-financing Agreements with the respective Beneficiaries under terms and conditions approved by the Association, which shall include the following:

   (a) Sub-financings shall be in the form of Subsidies or Grants, and shall be made on a non-reimbursable basis;

   (b) Such Sub-financings shall be made to finance Subprojects in accordance with eligibility criteria and procedures acceptable to the Association, and set forth in the Part B.2 Operations Manual, and the additional terms and conditions set forth in Part G of this Schedule.

F. Additional Provisions to be included in the DFI Subsidiary Agreement

The Recipient shall ensure that the following provisions are included in the DFI Subsidiary Agreement:

1. General

   (a) DFI declares its commitment to the objective of the Project. To this end, DFI shall carry out Part B.1 of the Project in accordance with the provisions of Article IV of the General Conditions, and shall provide promptly as needed, the funds, facilities, services and other resources required for Part B.1 of the Project.

   (b) Except as the Association and DFI shall otherwise agree, DFI shall carry out Part B.1 of the Project in accordance with the provisions of this Schedule.

2. Institutional Arrangements

   DFI shall take steps to ensure there are available at all times the requisite number of suitably qualified and experienced dedicated personnel assigned to Part B.1 of the Project, along with the appropriate organizational framework, technological support, and other facilities and resources required to facilitate the smooth implementation of Part B.1 of the Project and contribute to the achievement of the objective of the Project.
3. **Anti-Corruption**

DFI shall ensure that Part B.1 of the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

4. **Part B.1 Subprojects**

(a) The proceeds of the DFI Subsidiary Financing shall be made available to one or more Participating Financial Institutions ("PFIs") under participating agreements ("Participating Agreements") between the DFI and each of the PFIs, for on-lending in the form of sub-loans ("Sub-loans") to ultimate borrowers ("Sub-borrowers") to finance Subprojects, under sub-loan agreements ("Sub-loan Agreements") between the respective PFIs and the respective Sub-borrowers, under terms and conditions approved by the Association, which shall include the following:

(i) the proceeds of the DFI Subsidiary Financing made available to PFIs under Participating Agreements shall be denominated and repayable in local currency, and charged interest and other charges on the principal amount withdrawn and outstanding from time to time at a market-determined rate, according to a formula specified in the Part B.1 Operations Manual;

(ii) the principal amount of the DFI Subsidiary Financing so withdrawn shall be repayable over a period, including a grace period, from the date of the respective Participating Agreement not exceeding the repayment period which would apply to commercial loans provided under comparable conditions to financial intermediaries, and specified in the Part B.1 Operations Manual;

(iii) the amount of each Sub-loan shall be denominated and repayable in local currency, and charged interest and other charges on the principal amount withdrawn and outstanding from time to time at a market-determined rate, according to a formula specified in the Part B.1 Operations Manual;

(iv) the principal amount of each Sub-loan so withdrawn shall be repayable over a period, including a grace period, from the date of the Sub-loan Agreement not exceeding the repayment period which would apply to commercial loans provided under comparable conditions to such Sub-Borrowers; and

(v) Sub-loans shall be made to finance Subprojects in accordance with terms, criteria and procedures acceptable to the Association, and
set forth in the Part B.1 Operations Manual, and the additional terms and conditions set forth in Part G of this Schedule.

(b) DFI shall exercise its rights under the Participating Agreements in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the DFI Subsidiary Financing. Except as the Association shall otherwise agree, DFI shall not assign, amend, abrogate or waive the Participating Agreements or any of its provisions.

5. Safeguards

(a) DFI shall take steps to monitor on a continuing basis the implementation of the Safeguards Instruments and ensure that Part B.1 of the Project is executed in strict accordance with such Safeguards Instruments, and, upon the occurrence of any event or condition likely to interrupt or interfere with the smooth implementation of the Safeguards Instruments, DFI shall act promptly to deal with or address such event or condition, and inform the Recipient and the Association accordingly.

(b) For the purposes of any Subproject under Part B.1 of the Project, and prior to implementation thereof, DFI shall ensure that any ESIA, ESMP, RAP, ARAP or IPP, or other instrument required in terms of any one or more of the Safeguards Instruments, shall be duly prepared in form and substance satisfactory to the Association, and, except as otherwise agreed with the Association, submitted to the Association for review and approval, and thereafter adopted and locally disclosed.

(c) In the case of any Subproject involving potential adverse impacts or the threat of potential adverse impacts upon Displaced Persons, DFI shall ensure that no physical works shall commence or be allowed to commence, and no displacement or restriction of access to legally designated parks and protected areas shall occur or be allowed to occur, unless and until all necessary upfront resettlement measures consistent with the RPF, RAP or ARAP, as the case may be, have been undertaken, and, except as otherwise agreed with the Association, full payment of monetary compensation and other relocation and relocation-related assistance effected in favor of Displaced Persons.

(d) DFI shall take all measures necessary on its part to regularly collect, compile, and submit to the Recipient and the Association, on a quarterly basis, reports on the status of compliance with the Safeguards Instruments, giving details of:

(i) measures taken in furtherance of such Safeguards Instruments;
(ii) any event or condition which interferes or threatens to interfere with the smooth implementation of such Safeguards Instruments; and

(iii) remedial measures taken or required to be taken to address such event or condition.

(e) Except as the Association shall otherwise agree in writing, DFI shall not amend, waive or abrogate, or cause to be amended, waived or abrogated, any provision of the Safeguards Instruments.

6. Project Reports

DFI shall monitor and evaluate the progress of Part B.1 of the Project and prepare Project Reports for Part B.1 of the Project in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association and set forth in the Project Implementation Manual. Each such Project Report shall cover the period of one calendar semester, and shall be furnished to the Recipient not later than two weeks after the end of the period covered by such report for incorporation and forwarding by the Recipient to the Association as part of the overall Project Report.

7. Financial Management, Financial Reports and Audits

(a) DFI shall maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations and financial condition of DFI, including the operations, resources and expenditures related to Part B.1 of the Project.

(b) DFI shall have its financial statements referred to above audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association. Each audit of these financial statements shall cover the period of one fiscal year of DFI. DFI shall ensure that the audited financial statements for each period shall be: (a) furnished to the Recipient and the Association not later than six months after the end of the period; and (b) made publicly available in a timely fashion and in a manner acceptable to the Association.

8. Procurement

All goods, works and services required for Part B.1 of the Project and to be financed out of the proceeds of the DFI Subsidiary Financing shall be procured in accordance with the provisions of Section III of this Schedule.
9. **Midterm Review**

DFI shall:

(a) maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with indicators satisfactory to the Recipient and the Association, the carrying out of Part B.1 of the Project and the achievement of the objectives thereof;

(b) prepare, under terms of reference satisfactory to the Association, and furnish to the Recipient and Association, on or about February 15, 2020, 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 Part B.1 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 Part B.1 of the Project and the achievement of the objectives thereof during the period following such date; and

(c) review with the Recipient and the Association, by April 30, 2020, or such later date as the Recipient or the Association shall request, the report referred to in paragraph (b) above, and, thereafter, take all measures required to ensure the efficient completion of Part B.1 of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of the said report, and the Recipient’s and the Association’s views on the matter.

**G. Common Terms and Conditions Applicable to Subprojects**

The proceeds of the Financing allocated to Subprojects shall be made available under Sub-loan Agreements or Sub-financing Agreements, as the case may be, on terms and conditions approved by the Association, which shall include the following:

(a) The Recipient shall obtain rights adequate to protect its interests and those of the Association, including the right to:

   (i) suspend or terminate the right of the Sub-borrower or Beneficiary, as the case may be, to use the proceeds of the Sub-loan or Sub-financing, as the case may be, or declare a Sub-loan to be immediately due and payable, or obtain a refund of all or any part of the amount of a Sub-loan or Sub-financing then withdrawn, upon the Sub-borrower’s or Beneficiary’s failure to perform any of its obligations under the Sub-loan Agreement or Sub-financing Agreement, as the case may be; and
(ii) require each Sub-borrower or Beneficiary, as the case may be, to:

(A) carry out its Subproject with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient;

(B) provide, promptly as needed, the resources required for the purpose;

(C) procure the goods, works and services to be financed out of the Sub-loan or Sub-financing, as the case may be, in accordance with the provisions of this Agreement;

(D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Subproject and the achievement of its objectives;

(E) (1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to the Subproject; and (2) at the Association’s or the Recipient’s request, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association;

(F) enable the Recipient and the Association to inspect the Subproject, its operation and any relevant records and documents; and

(G) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing.

(b) The Recipient shall exercise its rights under each Sub-loan Agreement and each Sub-financing 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 or waive any Sub-financing Agreement or Sub-financing Agreement, or any of the provisions thereof.

H. Safeguards

1. The Recipient shall take steps to monitor on a continuing basis the implementation of the Safeguards Instruments and ensure that the Project is executed in strict accordance with such Safeguards Instruments, and, upon the occurrence of any event or condition likely to interrupt or interfere with the smooth implementation of the Safeguards Instruments, the Recipient shall act promptly to deal with or address such event or condition, and inform the Association accordingly.

2. For the purposes of any Subproject or other activity under the Project, and prior to implementation thereof, the Recipient shall ensure that any ESIA, ESMP, RAP, ARAP or IPP, or other instrument required in terms of any one or more of the Safeguards Instruments, shall be duly prepared in form and substance satisfactory to the Association, and, except as otherwise agreed with the Association, submitted to the Association for review and approval, and thereafter adopted and locally disclosed.

3. In the case of any Subproject involving potential adverse impacts or the threat of potential adverse impacts upon Displaced Persons, the Recipient shall ensure that no physical works shall commence or be allowed to commence, and no displacement or restriction of access to legally designated parks and protected areas shall occur or be allowed to occur, unless and until all necessary upfront resettlement measures consistent with the RPF, RAP or ARAP, as the case may be, have been undertaken, and, except as otherwise agreed with the Association, full payment of monetary compensation and other relocation and relocation-related assistance effected in favor of Displaced Persons.

4. The Recipient shall take all measures necessary on its part to regularly collect, compile, and submit to the Association, on a quarterly basis, reports on the status of compliance with the Safeguards Instruments, giving details of:

   (a) measures taken in furtherance of such Safeguards Instruments;

   (b) any event or condition which interferes or threatens to interfere with the smooth implementation of such Safeguards Instruments; and

   (c) remedial measures taken or required to be taken to address such event or condition.
5. Except as the Association shall otherwise agree in writing, the Recipient shall not amend, waive or abrogate, or cause to be amended, waived or abrogated, any provision of the Safeguards Instruments.

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, and on the basis of indicators acceptable to the Association and set forth in the Project Implementation Manual. Each Project Report shall cover the period of one calendar semester, 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 one month 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, commencing with the fiscal year in which the first withdrawal was made under the Preparation Advance for the Project. 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, Works and Non-Consulting Services. All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section 1 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 Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

**B. Particular Methods of Procurement of Goods, Works and Non-Consulting Services**

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. **Other Methods of Procurement of Goods, Works and Non-Consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan:

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<thead>
<tr>
<th>Procurement Method</th>
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<tbody>
<tr>
<td>(a) National Competitive Bidding (subject to the additional provisions set forth in subparagraph 3 below)</td>
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<tr>
<td>(b) Shopping</td>
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<tr>
<td>(c) Direct Contracting</td>
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<td>(d) Procurement from UNOPS</td>
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3. **Additional Provisions for National Competitive Bidding**

National Competitive Bidding may be used subject to using the open procedure ("appel d'offres ouvert") set forth in the Recipient’s Public Procurement Law No. 10/010 dated April 27, 2010 (the “PPL”) and the Manual of Procedures of the PPL as per Recipient’s Decree No. 10/22 dated June 2, 2010 (the “Manual of Procedures”); provided, however, that such procedure shall be subject to the provisions of Section I and Paragraphs 3.3 and 3.4 of Section III of the Procurement Guidelines and the additional following modifications:

(a) **Standard Bidding Documents:** All standard bidding documents to be used for the Project under NCB shall be found acceptable to the Association before their use during the implementation of Project.
(b) **Eligibility:** Eligibility of bidders and acceptability of their goods and services shall not be based on their nationality and/or their origin; and association with a national firm shall not be a condition for participation in a bidding process.

(c) **Advertising and Bid Preparation Time:** Bidding opportunities shall be advertised at least in a national newspaper of wide circulation and on the website of the Recipient’s Procurement Regulator (Autorité de Régulation des Marchés Publics) and bidders should be given at least 30 days from the date of invitation to bid or the date of availability of the bidding documents, whichever is later.

(d) **Criteria for Qualification of Bidders:** Qualification criteria shall only concern the bidder’s capability and resources to perform the contract taking into account objective and measurable factors. Such criteria for qualification of bidders shall be clearly specified in the bidding documents.

(e) **Bid Evaluation and Contract Award:** A contract shall be awarded to the substantially responsive and lowest evaluated bidder, provided that such bidder meets the qualification criteria specified in the bidding documents. No scoring system shall be allowed for the evaluation of bids, and no “blanket” limitation to the number of lots which can be awarded to a bidder shall apply. The criteria for bid evaluation and the contract award conditions shall be clearly specified in the bidding documents.

(f) **Preferences:** No preference shall be given to domestic/regional bidders; for domestically/regionally manufactured goods; or to bidders forming a joint venture with a national firm or proposing national sub-contractors or carrying out economic activities in the territory of the Recipient.

(g) **Publication of Contract Award:** Information on all contract awards shall be published in at least a national newspaper of wide circulation or in the Recipient’s Procurement Regulator (Autorité de Régulation des Marchés Publics) web-site.

(h) **Fraud and Corruption:** In accordance with the Procurement Guidelines, each bidding document and contract shall include provisions stating the Association’s policy to sanction firms or individuals found to have engaged in fraud and corruption as set forth in the Procurement Guidelines.

(i) **Inspection and Audit Rights:** In accordance with the Procurement Guidelines, each bidding document and contract shall include provisions stating the Association’s policy with respect to inspection and audit of
accounts, records and other documents relating to the bid submission and contract performance.

(j) **Requirement for administrative documents and/or tax clearance certificate:** The bidding documents shall not require foreign bidders to produce any administrative or tax related certificates prior to confirmation of awarding a contract.

(k) **Modifications of a Signed Contract:** Any change in the contract amount which, singly or combined with all previous changes, increases the original contract amount by 15% (fifteen percent) or more must be done through an amendment to the signed contract instead of signing a new contract.

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 methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants' services for those contracts which are specified in the Procurement Plan:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Quality-Based Selection</td>
</tr>
<tr>
<td>(b) Least Cost Selection</td>
</tr>
<tr>
<td>(c) Selection under a Fixed Budget</td>
</tr>
<tr>
<td>(d) Selection Based on Consultants Qualifications</td>
</tr>
<tr>
<td>(e) Single Source Selection of consulting firms</td>
</tr>
<tr>
<td>(f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants</td>
</tr>
<tr>
<td>(g) Single-source procedures for the Selection of Individual Consultants</td>
</tr>
</tbody>
</table>

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.
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 Investment Project Financing” dated February 2017, 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 and of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Credit Allocated (expressed in SDR)</th>
<th>Amount of the Grant Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) (a) Goods, non-consulting services and consultants’ services for the Project (other than under Categories (2) and (3) below)</td>
<td>0.00</td>
<td>30,600,000</td>
<td>100%</td>
</tr>
<tr>
<td>(b) Works for the Project (other than under Categories (2) and (3) below)</td>
<td>3,700,000</td>
<td>51,500,000</td>
<td></td>
</tr>
<tr>
<td>(2) (a) Goods, non-consulting services and consultants’ services for Part B.1 Subprojects</td>
<td>1,500,000</td>
<td>0.00</td>
<td>100%</td>
</tr>
<tr>
<td>(b) Works for Part B.1 Subprojects</td>
<td>5,900,000</td>
<td>0.00</td>
<td></td>
</tr>
</tbody>
</table>
(3) (a) Goods, non-consulting services and consultants' services for Part B.2 Subprojects
2,900,000 2,200,000 100%
(b) Works for Part B.2 Subprojects
5,900,000 0.00
(4) Refund of Preparation Advance
0.00 2,600,000 Amount payable pursuant to Section 2.07 of the General Conditions
TOTAL AMOUNT
19,900,000 86,900,000

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 of the Grant not to exceed SDR 21,000,000 may be made for payments made prior to this date but on or after May 26, 2016, for Eligible Expenditures under Categories (1) and (3)(a);

(b) under Categories (1)(b), 2(b) or 3(b), unless the Counterpart Fund Account has been opened, and the amount of the initial deposit specified in Section V.C.2 of this Schedule duly deposited therein;

(c) under Category (2), unless:

(i) the DFI Subsidiary Agreement has been executed on behalf of the Recipient and the Designated Financial Intermediary, and there has been furnished to the Association an opinion or opinions, satisfactory to the Association, of counsel acceptable to the Association, or, if the Association so requests, a certificate satisfactory to the Association of a competent official of the Recipient, showing, on behalf of the Recipient, that the DFI Subsidiary Agreement has been duly authorized or ratified by the Recipient and the Designated Financial Intermediary, and is legally binding upon the Recipient and the Designated Financial Intermediary in accordance with its terms;
(ii) the Part B.1 Operations Manual has been prepared and adopted, in form and substance acceptable to the Association, by the Designated Financial Intermediary; and

(iii) the Designated Financial Intermediary has concluded at least one Participation Agreement with a Participating Financial Institution and identified a pipeline of at least one Subproject; or

(d) under Category (3), unless:

(i) the Part B.2 Operations Manual has been prepared and adopted, in form and substance acceptable to the Association, by UCM; and

(ii) there is in place a decision-making process framework, acceptable to the Association, which shall include a secretariat to manage the day-to-day business of the Electrification Fund, and assist with the review and evaluation of Subproject proposals, and a supervisory board to act on the recommendations of the secretariat.

2. The Closing Date is October 31, 2022.

Section V. Other Undertakings

A. Annual Work Programs

1. Not later than one month prior to the end of the fiscal year of the Recipient, commencing with the fiscal year during which this Agreement becomes effective, the Recipient shall prepare and furnish to the Association, for review and comments, a proposed work program and budget for the following fiscal year ("Annual Work Program and Budget"), giving details of: (a) activities scheduled for implementation in the course of the fiscal year, along with a proposed implementation plan; and (b) a proposed financing plan and budget to support implementation of such activities.

2. The Recipient shall exchange views with and seek the approval of the Association on each such proposed Annual Work Program and Budget, and proceed thereafter to carry out such Annual Work Program and Budget, taking due account of such comments and observations as shall have been made thereon by the Association.

3. No activity shall be scheduled for implementation under the Project or financed thereunder other than those included in an Annual Work Program and Budget.

4. Except with the prior and written concurrence of the Association, the Recipient shall not waive, amend or abrogate, or cause to be waived, amended or abrogated, the Annual Work Program or any provision thereof.
B. Midterm Review

1. The Recipient shall:

(a) maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with indicators satisfactory to the Association, the carrying out of the Project and the achievement of the objective thereof;

(b) prepare, under terms of reference satisfactory to the Association, and furnish to the Association, on or about February 15, 2020, 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 objective thereof during the period following such date; and

(c) review with the Association, by April 30, 2020, or such later date 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 objective thereof, based on the conclusions and recommendations of the said report and the Association’s views on the matter.

C. Counterpart Fund Account

1. For purposes of the Project (other than Part B.1 thereof), the Recipient shall open, in a commercial bank acceptable to the Association, and on terms and conditions acceptable to the Association, a counterpart fund account ("Counterpart Fund Account") to be operated and maintained by UCM, into which the Recipient shall deposit from time to time its local counterpart contribution to the cost of the Project.

2. The Recipient shall make an initial deposit of one hundred fifty thousand Dollars ($150,000) into the Counterpart Fund Account, and thereafter replenish the Counterpart Fund Account on a quarterly basis, by depositing therein an amount equal to the difference between the outstanding balance of the Counterpart Fund Account and the Recipient’s estimated counterpart funding contribution to the cost of the Project for the next quarterly period, or such other amount as shall have been agreed between the Recipient and the Association.

3. Funds deposited in the Counterpart Fund Account shall be applied exclusively for the purposes of defraying the cost of expenditures incurred for the execution of the Project (other than Part B.1 thereof), and not otherwise financed out of the
proceeds of the Financing.
SCHEDULE 3

Repayment Schedule

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each April 15 and October 15, commencing October 15, 2023, to and including April 15, 2055</td>
<td>1.5625%</td>
</tr>
</tbody>
</table>

* 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

1. “Abbreviated Resettlement Action Plan” or “ARAP” means Abbreviated Resettlement Action Plan, a RAP prepared and issued in abbreviated form, having regard to the reduced risk or perceived magnitude of potential impact and hardship to Displaced Persons resulting from the Project.

2. “Annual Work Program and Budget” means the annual work program and budget referred to in Section V.A.1 of Schedule 2 to this Agreement.

3. “ANSER” means Agence Nationale des Services d’Electrification en Milieux Rural et Péri-urbain, the national agency for rural and per-urban electricity services established or to be established by the Recipient.


5. “ARE” means Agence de Régulation de l’Electricité, the electricity regulatory agency established or to be established by the Recipient.

6. “Beneficiary” means a private sector entity which is the beneficiary of a Sub-financing.

7. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.


9. “Counterpart Fund Account” means the account referred to in Section V.C.1 of Schedule 2 to this Agreement.

10. “Designated Financial Intermediary” or “DFI” means a legally established and accredited financial intermediary duly mandated to channel funds through banks and microfinance institutions, which has been, or will be, designated to implement Part B.1 of the Project.

11. “DFI Subsidiary Agreement” means the agreement referred to in Section I.D.2 of Schedule 2 to this Agreement pursuant to which the Recipient shall make part of the proceeds of the Financing available to DFI.

12. “DFI Subsidiary Financing” means the financing provided for under the DFI Subsidiary Agreement.
13. “Displaced Persons” means one or more persons who, on account of the execution of the Project, have experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such person(s) must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person(s).

14. “Electrification Fund” means the Electrification Fund to be established under the Project and to be used to channel the proceeds of the Financing allocated to Category 3 to Beneficiaries to finance Subsidies and Grants.

15. “Environmental and Social Impact Assessment” or “ESIA” means an Environmental and Social Impact Assessment, in form and substance satisfactory to the Association, adopted or to be adopted by the Recipient in respect of any Subproject or other activity, including a survey of the targeted area(s) and providing details of the potential environmental adverse impacts, highlighting measures to be included in the ESMP in order to offset, eliminate or mitigate such risks, as such ESIA may be amended from time to time, subject to the provisions of this Agreement.

16. “Environmental and Social Management Framework” or “ESMF” means the Recipient’s Environmental and Social Management Framework, dated March 4, 2017, issued by or on behalf of the Recipient and thereafter publicly disclosed, giving details of the policies and procedures designed to maximize the benefits of the Project, eliminate, offset or mitigate any adverse social and environmental impacts, or reduce such impacts to acceptable levels, as such ESMF may be amended from time to time, subject to compliance with the provisions of this Agreement.

17. “Environmental and Social Management Plan” or “ESMP” means an Environmental and Social Management Plan, in form and substance satisfactory to the Bank, adopted or to be adopted by the Recipient in respect of any Subproject or other activity, giving details of measures consistent with the ESMF, and designed to eliminate, offset or mitigate potential adverse social and environmental impacts associated with the Project, or reduce such impacts to acceptable levels, together with particulars of proposed institutional, monitoring and reporting arrangements required to ensure proper implementation of, and regular feedback on compliance with, the ESMP, as such ESMP may be amended from time to time, subject to the provisions of this Agreement.


19. “Grants” means grants under Part B.2(b) of the Project.
20. “Indigenous Peoples Policy Framework” or “IPPF” means the Indigenous Peoples Policy Framework, dated March 9, 2017, issued by or on behalf of the Recipient and thereafter publicly disclosed, giving details of mechanisms designed to guarantee the full, prior and informed participation of the local population in the design and implementation of the Project, and to ensure that the local population is both shielded from any adverse effects and able to derive appropriate culturally-compatible social and economic benefits therefrom, as such IPPF may be amended from time to time, subject to compliance with the provisions of this Agreement.

21. “Indigenous Peoples Plan” or “IPP” means the Indigenous Peoples Plan, in form and substance satisfactory to the Association, adopted or to be adopted by the Recipient in respect of any Subproject or other activity, giving details of measures consistent with the IPPF and designed to guarantee the full, prior and informed participation of the targeted population in the design and implementation of the Project, and secure their full enjoyment of culturally-compatible social and economic benefits to be derived therefrom, together with particulars of proposed institutional, monitoring and reporting arrangements required to ensure proper implementation of, and regular feedback on compliance with, the IPP, as such IPP may be amended from time to time, subject to compliance with the provisions of this Agreement.

22. “Memorandum of Understanding” means the Memorandum of Understanding, dated March 2, 2017, entered into between UCM and SNEL, governing the respective roles and responsibilities of UCM and SNEL under Part A of the Project.


24. “Operating Costs” means the incremental operating costs arising under the Project on account of local contractual support staff salaries, employment benefits, travel expenditures and other travel-related allowances; equipment rental and maintenance; vehicle operation, maintenance and repair; office rental and maintenance, materials and supplies; and utilities, media information campaigns and communications’ expenses.


28. “Participating Agreement” means an agreement between DFI and a Participating Financial Institution, and referred to in Section I.F.4 of Schedule 2 to this Agreement.

29. “Participating Financial Intermediary” or “PFI” means a financial intermediary existing and operating under the laws of the Recipient, which has been deemed eligible to participate as a financial intermediary under Part B.1 of the Project, having regard to eligibility criteria and procedures acceptable to the Association, and set forth in the Operations Manual.

30. 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 October 6, 2016, and on behalf of the Recipient on October 28, 2017.

31. “Project Implementation Manual” means the Project Implementation Manual referred to in Section I.B of Schedule 2 to this Agreement.


33. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated February 26, 2017, and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

34. “Project Implementing Entity” means Société Nationale d’Electricité (“SNEL”), the Recipient’s national electricity company existing and operating under the laws of the Recipient.

35. “Project Implementing Entity’s Legislation” means Ordonnance-Loi No. 70-033 of May 16, 1970, establishing and governing SNEL.

36. “Resettlement Action Plan” or “RAP” means a Resettlement Action Plan, in form and substance satisfactory to the Bank, adopted or to be adopted by the Recipient in respect of any Subproject or other activity, giving details of measures consistent with the RPF, and designed to facilitate the compensation and resettlement of Displaced Persons, including the magnitude of displacement, proposed compensation and resettlement arrangements, and budget and cost estimates, together with particulars of institutional, monitoring and reporting arrangements required to ensure proper implementation of, and regular feedback on compliance with, the RAP, as such RAP may be amended from time to time, subject to compliance with the provisions of this Agreement.
37. "Resettlement Policy Framework" or "RPF" means the Resettlement Policy Framework, dated March 9, 2017, issued by or on behalf of the Recipient and thereafter publicly disclosed, describing a program of actions, measures and policies designed to avoid or minimize any adverse impact or hardship to Displaced Persons as a result of the Project or, in the event that such adverse impact or hardship cannot be avoided altogether, provide for the compensation and resettlement of such Displaced Persons, as such RPF may be amended from time to time, subject to compliance with the provisions of this Agreement.

38. "Safeguards Instruments" means any or all of the EMSF, ESMP, ESIA, RPF, RAP, ARAP, IPPF and IPP, and other Subproject-specific safeguards instruments derived therefrom or adopted pursuant thereto.

39. "Sub-borrower" means the beneficiary of a Sub-loan.

40. "Sub-loan" means a loan made out of the proceeds of the Financing to finance a Part B.1 Subproject

41. "Sub-loan Agreement" means an agreement governing a Sub-loan.

42. "Sub-financing" means a Grant or Subsidy made out of the Electrification Fund to finance a Part B.2 Subproject.

43. "Sub-financing Agreement" an agreement governing a Sub-financing.

44. "Subproject" means a Subproject under Part B.1 of the Project ("Part B.1 Subproject") or Part B.2 of the Project ("Part B.2 Subproject"), as the case may be which has been deemed eligible for financing under the Project, having regard to eligibility criteria and procedures acceptable to the Association, and set forth in the relevant Operations Manual.

45. "SNEL Subsidiary Agreement" means the agreement referred to in Section I.D.1 of Schedule 2 to this Agreement pursuant to which the Recipient shall make part of the proceeds of the Financing available to SNEL.

46. "SNEL Subsidiary Financing" means the financing provided for under the SNEL Subsidiary Agreement.

47. "Subsidiary Agreement" means the DFI Subsidiary Agreement or the SNEL Subsidiary Agreement, or both.

48. "Subsidies" means subsidies under Part B.2(a) of the Project.

49. "UCM" means Unité de Coordination et de Management des Projets, the Project coordination and management unit of MERH.