Loan Agreement

(Resilient Agriculture and Integrated Water Resources Management Project)

between

DOMINICAN REPUBLIC

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT
LOAN AGREEMENT

AGREEMENT dated as of the Signature Date between DOMINICAN REPUBLIC ("Borrower") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank"). The Borrower and the Bank hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form 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 — LOAN

2.01. The Bank agrees to lend to the Borrower the amount of eighty million Dollars, ($80,000,000), as such amount may be converted from time to time through a Currency Conversion (which has been requested by the Borrower and accepted by the Bank in accordance with the pertinent provisions set forth in Article IV of the General Conditions) ("Loan"), to assist in financing the Resilient Agriculture and Integrated Water and Resources Management Project described in Schedule 1 to this Agreement ("Project").

2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section III of Schedule 2 to this Agreement.

2.03. The Front-end Fee is one quarter of one percent (0.25%) of the Loan amount.

2.04. The Commitment Charge is one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.

2.05. The interest rate is the Reference Rate plus the Variable Spread or such rate as may apply following a Conversion (which has been requested by the Borrower and accepted by the Bank in accordance with the pertinent provisions set forth in Article IV of the General Conditions); subject to Section 3.02(e) of the General Conditions.

2.06. The Payment Dates are January 15 and July 15 in each year.

2.07. The principal amount of the Loan shall be repaid in accordance with Schedule 3 to this Agreement.
ARTICLE III — PROJECT

3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall: (a) carry out Parts 1, 3 and 4 of the Project through MEPyD with the assistance of: (i) MA for purposes of the technical aspects of Parts 1.1 and 1.2 of the Project; (ii) MARENA for purposes of the technical aspects of Part 1.3 of the Project; and (iii) INAPA for purposes of the technical aspects Part 3 of the Project; and (b) cause INDRHI to carry out Part 2 of the Project; all in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE BANK

4.01. The Additional Events of Suspension consists of the following, namely, that MEPyD, MA, MARENA, INAPA or INDRHI shall have failed to comply with any of its obligations under the Institutional Subsidiary Agreement.

4.02. The Additional Event of Acceleration consists of the following, namely that the event specified in 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 Bank to the Borrower.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Effective conditions consist of the following:

(a) that the PCIU has been established as provided in Section 1.A1(a) of Schedule 2 to this Agreement, and in a manner satisfactory to the Bank;

(b) that the Borrower has adopted the Operational Manual in a manner satisfactory to the Bank; and

(c) that the Institutional Subsidiary Agreement has been duly signed by the parties thereto.

5.02. The Effectiveness Deadline is the date one hundred and eighty days (180) days after the Signature Date (unless the Bank, after consideration of the reasons for delay, establishes a later Effectiveness Deadline for the purposes of Section 9.04 of the General Conditions).

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Borrower’s Representative who, inter alia, may agree to modification of the provisions of this Agreement on behalf of the Borrower, through exchange of letters (unless otherwise determined by the Borrower and the Bank), is its Minister of Finance (Ministro de Hacienda).
6.02. For purposes of Section 10.01 of the General Conditions: (a) the Borrower’s address is:

Ministerio de Hacienda
Av. México 45, Gazcue
Santo Domingo de Guzmán, Distrito Nacional
Dominican Republic; and

(b) the Borrower’s Electronic Address is:

Facsimile:
809-688-8838

6.03. For purposes of Section 10.01 of the General Conditions: (a) the Bank’s address is:

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

(b) the Bank’s Electronic Address is:

Telex: Facsimile: E-mail:
248423(MCI) or 1-202-477-6391 tsaved@worldbank.org
64145(MCI)
AGREED as of the Signature Date.

DOMINICAN REPUBLIC

By

Authorized Representative

Name: Donald Guerrierio
Title: Minister of Finance
Date: January 28, 2020

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

Authorized Representative

Name: ALESSANDRO LEGROTTAGLIE
Title: COUNTRY MANAGER
Date: January 22, 2020
SCHEDULE 1

Project Description

The objective of the Project is to contribute to improved sustainable landscape management and access to water supply and sanitation services in Targeted River Basins.

The Project consists of the following parts:

Part 1: Sustainable Productive Management of Agroecosystems

1. Provision of support for the productive use of natural resources through the carrying out of Sustainable Landscape Management Subprojects.

2. Provision of support for the consolidation of the Borrower’s national system of soil and water conservation (SNCSA).

3. Provision of support for the conservation of protected areas through preventing degradation and development of illicit activities in the Borrower’s selected protected areas and buffer zones.

Part 2: Enhancement of Resilience and Management of Hydraulic Infrastructures

2.1. Rehabilitation of the Borrower’s selected existing dams within the Targeted River Basins, and improvement of the Borrower’s dam operation and risk management, through: (a) the strengthening of the operation of the Borrower’s selected dams (including, inter alia, the Chacuey, Tarvera Maguaca, Moncion and Mijo dams) through, inter alia, the preparation of risk management plans, the design of flood control works, the preparation and/or update of studies and designs for their rehabilitation; and (b) the carrying out of rehabilitation works and the improvement of dam safety for the Chacuey, Tarvera Maguaca and the Mijo dams.

2.2. Rehabilitation, modernization and improvement of the operation and maintenance of the Borrower’s selected irrigation schemes within the Targeted River Basins (including, inter alia, the irrigation schemes of Monsieur Bogaert, Mao-Gurabo, Luis Bogaert, Villa Vasquez and Mijo-La Luisa) aiming at improving the resilience and efficiency of water conveyance and water distribution and enhancing water quality, including the provision of technical assistance to farmers and water user associations.

2.3. Strengthening of INDRHI’s institutional capacities through: (a) the enhancement of INDRHI’s capacities in planning and monitoring, dam management, operation and maintenance; and (b) the provision of support for improving water resources administration.

Part 3: Reducing contamination through Improvement of Water Supply and Sanitation Services in Prioritized Areas

3.1. Strengthening INAPA’s institutional capacity to contribute to mitigate contamination in targeted areas within the Targeted River Basins by enhancing water supply and sanitation service management, including: (a) the carrying out of, inter alia, feasibility studies, engineering designs,
social assessments and consumer research studies; (b) the provision of technical assistance to analyze data for decision making and address current information gaps; and (c) the improvement of water supply and sanitation service delivery.

3.2. Reducing contamination in targeted areas within the Targeted River Basins through the provision of water supply and sanitation services, including, *inter alia*: (a) the carrying out of studies for monitoring the water quality of key water sources in targeted areas; (b) the construction and/or rehabilitation of a water treatment plant and a distribution network in, *inter alia*, Los Limones, Province of Monte Cristi and in Jicome-Damajagua, Province of Valverde; and (c) the expansion of a wastewater treatment and sanitary sewer of Mao and Monción, Province of Santiago Rodríguez.

Part 4: Capacity Building for Natural Resources Management and Governance, and Project Management

4.1. Provision of support for resilient integrated water resources management and governance of the Borrower, through: (a) the strengthening of the National Water Board; (b) the creation of two river basin councils and micro-watershed committees; (c) the improvement of resilient, integrated water use planning at watershed level; (d) the implementation of sectoral policies to enhance water security and resilience to promote the agri-food sector; (e) (i) the strengthening of the institutional and operational capacity of the Water Funds, including the carrying out of, *inter alia*, economic studies, Outputs verifications and impact evaluations of the Water Funds’ Environmental Services Subprojects; and (ii) the provision of support to the Water Fund through the financing of Outputs associated with the carrying out of Environmental Services Subprojects; (f) the development of a decision information framework for river basins; and (g) the provision of technical assistance for the strengthening of INDRHI’s institutional capacity to carry out Part 2 of the Project.

4.2. Provision of support for Project management, implementation and monitoring and evaluation, including the carrying out of the annual independent financial audits for the Project.
Section I. Implementation Arrangements

A. Institutional Arrangements.

1. (a) For the purposes of assisting MEPyD in the overall coordination, supervision and monitoring of the Project, the Borrower, through MEPyD, shall establish, and thereafter operate and maintain, throughout Project implementation, a unit within MEPyD (the PCIU), with functions and responsibilities, and staffed with personnel in number and with qualifications and experience acceptable to the Bank as set forth in the Operational Manual, including, inter alia, the responsibility of the PCIU of implementing Parts 1, 3 and 4 of the Project (including the financial, procurement and safeguards aspects of said Parts of the Project).

(b) The Borrower shall cause INDRHI to establish, and thereafter operate and maintain, throughout Project implementation, a unit within INDRHI (INDRHI PIU), with functions and responsibilities, and staffed with personnel in number and with qualifications and experience acceptable to the Bank as set forth in the Operational Manual, including, inter alia, the responsibility of the INDRHI PIU of implementing Part 2 of the Project (including the financial, procurement and safeguards aspects of said Part of the Project).

2. (a) Without limitation to the provisions of Article 3.01 of this Agreement, and for purposes of enabling MEPyD to carry out Parts 1, 3 and 4 of the Project (with the assistance of MA for Parts 1.1 and 1.2 of the Project, MARENA for Part 1.3 of the Project and INAPA for Part 3 of the Project) and INDRHI to carry out Part 2 of the Project, the Borrower, through the Ministry of Finance, shall enter into an agreement (the Institutional Subsidiary Agreement) with MEPyD, MA MARENA, INAPA and INDRHI, under terms and conditions acceptable to the Bank, which shall include, inter alia:

(i) the obligation of MEPyD, MA MARENA, INAPA and INDRHI to appoint a representative to the Project Steering Committee, as applicable;

(ii) the obligation of the Borrower, through the Ministry of Finance, to: (A) make the proceeds of the Loan allocated to Parts 1, 3 and 4 of the Project available to MEPyD (in accordance with the corresponding Categories set forth in the table in Section III.A of Schedule 2 to this Agreement); and (B) make the proceeds of the Loan allocated to Part 2 of the Project available to INDRHI (in accordance with the corresponding Category set forth in the table in Section III.A of Schedule 2 to this Agreement);
the roles and responsibilities of INDRHI with regard to the implementation of Part 2 of the Project, including the obligation of the INDRHI to: (A) comply with the technical, fiduciary and safeguards requirements applicable to the Project in accordance with the provisions of this Agreement, including with the provisions of the Anti-Corruption Guidelines; and (B) establish, and thereafter operate and maintain, throughout Project implementation, the INDRHI PIU;

(iv) the roles and responsibilities of MEPyD with regard to the implementation of Parts 1, 3 and 4 of the Project, including the obligation of the MEPyD to: (A) comply with the technical, fiduciary and safeguards requirements applicable to the Project in accordance with the provisions of this Agreement, including with the provisions of the Anti-Corruption Guidelines; and (B) establish, and thereafter operate and maintain, throughout Project implementation, the PCIU; and

(v) the roles and responsibilities of MA, MARENA and INAPA, including the obligation of MA, MARENA and INAPA to assist MEPyD in the technical implementation of Parts 1 and 3, of the Project, as applicable, through, inter alia: (A) the definition of the technical scope of call for proposals; (B) the preparation of terms of references for consulting services and of technical specifications for the procurement of goods and works; (C) the carrying out of the technical oversight of the implementation of activities and results; (D) the inter-institutional coordination with other relevant governmental entities; and (E) the establishment and maintenance, throughout Project implementation, of a technical team to coordinate the carrying out of Project activities with MEPyD.

(b) The Borrower shall exercise its rights and carry out its obligations under the Institutional Subsidiary Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree, the Borrower shall not assign, amend, abrogate, repeal, terminate, waive or fail to enforce the Institutional Subsidiary Agreement, or any provision thereof.

3. Prior to the carrying out of any Project activity under Part 2 of the Project, the Borrower, through the Ministry of Finance, shall cause INDRHI to furnish to the Bank evidence satisfactory to the Bank that it has the safeguards and fiduciary capacity acceptable to the Bank to implement Part 2 of the Project.

4. Not later than three (3) months after the Effective Date, the Borrower shall establish, and thereafter operate and maintain, throughout Project implementation, a committee (the Steering Committee), comprised of representatives of MEPyD, MA, MARENA, INDRHI and INAPA with functions and responsibilities acceptable to the Bank as defined in the Operational Manual, including, inter alia: (a) the discussion and approval of annual
implementation plans and budgets; (b) the provision of political and strategic guidance; and (c) the carrying out of general oversight of the Project and of inter-institutional coordination, to facilitate the participation, cooperation and resolution of high-level outstanding issues.

B. Sustainable Landscape Management Subprojects.

1. The Borrower shall, through MEPyD, prior to the carrying out of any Sustainable Landscape Management Subproject under Part 1.1 of the Project, enter into an agreement with the eligible Beneficiary ("Sustainable Landscape Management Subproject Agreement"), under terms and conditions satisfactory to the Bank, including, inter alia: (a) the Beneficiary’s obligations to carry out the operation, management and maintenance of the selected Sustainable Landscape Management Subproject and to contribute to the cost of the Sustainable Landscape Management Subproject; and (b) the Borrower’s obligation to procure the goods, works and services for the execution of the selected Subproject, in accordance with the provisions of this Agreement.

2. The Borrower, through MEPyD, shall exercise its rights and carry out its obligations under any Sustainable Landscape Management Subproject in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree, the Borrower shall not assign, amend, abrogate, waive or fail to enforce any Sustainable Landscape Management Subproject Agreement or any of its provisions. In case of inconsistencies between any Sustainable Landscape Management Subproject and this Agreement, the provisions of this Agreement shall prevail.

3. Not later than six (6) months after the Effective Date, the Borrower shall establish, and thereafter operate and maintain, throughout Project implementation, an evaluation committee (the “Evaluation Committee”) comprised of technical staff of, inter alia, the PCIU, MA and MARENA, with functions and responsibilities acceptable to the Bank as defined in the Operational Manual, including, inter alia, the provision of technical support for evaluation of proposals under Part 1.1 of the Project and for the carrying out of Sustainable Landscape Management Subprojects.

C. Environmental Services Subprojects.

1. Prior to the carrying out of any Environmental Services Subprojects under Part 4.1 (e) (ii) of the Project, the Borrower, through MEPyD, shall enter into an agreement (the Water Fund Agreement) with any of the Water Funds, under terms and conditions satisfactory to the Bank, including, inter alia:

(a) the Water Funds’ obligation to, inter alia:

   (i) deliver the Outputs set forth in the Operational Manual in accordance with the requirements and schedule included therein;
(ii) enable: (A) the Borrower to carry out the financial audits; and (B) the independent verifying agent to verify the achievement of the Outputs;

(iii) comply with reporting requirements;

(iv) enable the Borrower and the Bank to review the documents related to Environmental Services Subprojects;

(v) not to assign, amend, terminate, abrogate, repeal, waive or fail to enforce the Water Fund Agreement or any provision thereof unless previously agreed by the Bank;

(vi) to take or permit to be taken all action to enable the Borrower to comply with its obligations referred to in this Agreement, as applicable to the carrying out of Part 4.1.(e)(ii) of the Project; and

(vii) comply with the ESMF and RPF, as applicable to the carrying out of the pertinent Environmental Services Subprojects, and the Anti-Corruption Guidelines; and

(b) the Borrower’s obligation to, inter alia, pay for the Unit Costs after verification of achievement of the pertinent Output has been carried out by the independent verifying agent referred to in Section I.C.3 of Schedule 2 to this Agreement.

2. The Borrower, through MEPyD, shall exercise its rights and carry out its obligations under any Water Fund Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree, the Borrower shall not assign, amend, abrogate, waive or fail to enforce any Water Fund Agreement or any of its provisions. In case of inconsistencies between any Water Fund Agreement and this Agreement, the provisions of this Agreement shall prevail.

3. Prior to the carrying out of any Environmental Services Subproject under Part 4.1. (e) (ii) of the Project and for purposes of verifying the achievement of the Outputs, the Borrower, through MEPyD, shall hire an independent verifying agent acceptable to the Bank, under terms of reference satisfactory to the Bank, which shall include, inter alia, the obligation of said independent verifying agent to: (a) carry out semi-annual verifications of the achievement of Outputs delivered during the pertinent calendar semester for purposes of financing the pertinent Output in accordance with the corresponding Unit Cost; (b) carry out annual reviews of the reasonableness of the Unit Costs for the Outputs to be delivered during the following year; and (c) prepare and furnish to the Borrower and the Bank a report on the results of said verification of achievement process of such scope and in such frequency and detail as the Bank shall reasonable request.

4. Upon the definition of the Unit Costs and yearly thereafter, the Borrower, through MEPyD, shall, and shall cause the Water Fund to, review jointly with the Bank the Unit Costs; and
immediately thereafter adjust said Unit Costs, if applicable, and required by the results of said review, all in a manner satisfactory to the Bank.

5. Without limitation to the provisions of Section I.A.4 of this Schedule, the Bank may propose to the Borrower and the Water Fund (or vice versa) additional reviews of the Unit Costs earlier or later than as set forth in said section, and if required by the results of any of said reviews, the Borrower, through MEPyD, shall cause the Water Fund to adjust the Unit Costs, all in a manner satisfactory to the Bank.

D. **Operational Manual.**

1. The Borrower shall, and shall cause the Project to be carried out, in accordance with the provisions of a manual ("Operational Manual"), which shall include, the rules, methods, guidelines, standard documents and procedures for the carrying out of the Project, including but not limited to the following: (a) a detailed description of Project implementation activities and the detailed institutional arrangements for the Project; (b) the Project’s administrative, budgeting, accounting, auditing, reporting, financial, procurement and disbursement procedures; (c) the monitoring indicators for the Project; (d) the Safeguards Documents referred to in Section I.E of this Schedule; (e) the institutional and administrative mechanisms established to ensure inter-institutional coordination; and (f) the eligibility criteria and requirements for the carrying out the Sustainable Landscape Management Subprojects and the Environmental Services Subprojects.

2. The Borrower shall not amend or waive or fail to enforce any provision of the Operational Manual without the World Bank’s prior written approval. In case of any conflict between the terms of any of the Operational Manuals and those of this Agreement, the terms of this Agreement shall prevail.

E. **Safeguards.**

1. The Borrower, through MEPyD shall, and shall cause INDRHI to, carry out the Project, in accordance with the provisions of the: (a) ESMF; (b) the ESMPs; and (c) the RPF.

2. Prior to carrying out any rehabilitation works or any Project activities that rely on existing dams under Parts 2.1 of the Project, but not later than six (6) months after the Effective Date, the Borrower shall cause INDRHI to: (a) appoint a panel of independent experts (the Panel of Experts) with terms of reference and composition acceptable to the Bank, including, *inter alia*, the following responsibilities, as applicable, to the corresponding dams under Part 2.1 of the Project: (i) reviewing the risk-based dam safety assessments, the safety inspection reports, the operations and maintenance plans and the emergency preparedness plans; (ii) advising on the design and implementation of rehabilitation works required; and (iii) reviewing the investigation, design and implementation of high-hazard cases involving significant and complex remedial works under Part 2.1 (b) of the Project; and (b) convene Panel of Experts meetings periodically during Project implementation, and retaining said Panel of Experts until the completion of any dam safety review and/or rehabilitation works.
3. Prior to carrying out any rehabilitation works or any Project activities that rely on existing dams under Parts 2.1 of the Project, the Borrower shall cause INDRHI to submit to the Panel of Experts and to the Bank the results of risk-based dam safety assessment with contents acceptable to the Panel of Experts and to the Bank.

4. Prior to carrying out any rehabilitation works or any Project activities that rely on existing dams under Parts 2.1 of the Project, and not later than six (6) months after the submission of a risk-based dam safety assessment for any of the existing dams under Parts 2.1 of the Project, the Borrower shall cause INDRHI to: (a) furnish to the Bank an operation and maintenance plan, including dam safety monitoring instruments, and an emergency preparedness plan, all for said existing dams under Parts 2.1 of the Project and with contents acceptable to the Panel of Experts and to the Bank; (b) thereafter carry out said plans in accordance with their terms, with due diligence and efficiency, and in a manner acceptable to the Bank; and (c) carry out an on-site training program for relevant staff of the existing dams under Parts 2.1 of the Project, on the implementation of said plans.

5. The Borrower, through MEPyD shall, and shall cause INDRHI to, ensure that the terms of reference of any Project consultancy shall be satisfactory to the Bank following its review thereof and, to that end, such terms of reference shall duly incorporate the requirements of the Bank’s Safeguard Policies then in force, as applied to the advice conveyed through such technical assistance.

6. The Borrower, through MEPyD shall, and shall cause INDRHI to, ensure that all bidding documents and contracts for civil works under the Project include the obligation of the relevant contractors and subcontractors to: (a) comply with the obligations under the relevant Safeguard Documents and the relevant plans referred to in Section I.E.4 (a) of this Schedule; (b) adopt and implement measures to assess and manage the risks and impacts of labor influx and workers’ camps; and (c) adopt an enforcement code of conducts that should be provided to and signed by all workers; as applicable to such civil works commissioned or carried out pursuant to said contracts.

7. Except as the Bank shall otherwise agree in writing, the Borrower, through MEPyD shall, and shall cause INDRHI to, ensure that none of the provisions of the Safeguard Documents and the plans referred to in Section I.E.4 (a) of this Schedule is abrogated, amended, repealed, suspended or waived. In case of any inconsistencies between the provisions of any of the Safeguard Documents, the plans referred to in Section 1.E.4 (a) of this Schedule and the provisions of this Agreement, the provisions of this Agreement shall prevail.

8. The Borrower, through MEPyD shall, and shall cause INDRHI to, maintain, throughout Project implementation, and publicize the availability of a grievance redress mechanism, in form and substance satisfactory to the Bank, to hear and determine fairly, and in good faith all complaints raised in relation to the Project and take all measures necessary to implement the determinations made by such mechanism in a manner satisfactory to the Bank.
Section II. Project Monitoring Reporting and Evaluation

The Borrower, through MEPYD shall, and shall cause INDRHI to, furnish to the Bank, each Project Report not later than forty-five days after the end of each calendar semester, covering the calendar semester.

Section III. Withdrawal of Loan Proceeds

A. General.

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter (as may be modified from time to time by the Bank by notice to the Borrower), the Borrower may withdraw the proceeds of the Loan to finance Eligible Expenditures; and pay the Front-end Fee; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table, as such table may be modified, as many times it may be necessary, through the exchange of letters between the Borrower and the Bank, in line with the provisions of Section 6.01 of this Agreement, and without limitation to the provisions of Section 2.08 of the General Conditions:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consulting services, Training and Operating Costs under Part 1 of the Project</td>
<td>15,100,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, works, non-consulting services, consulting services, Training and Operating Costs under Part 2 of the Project</td>
<td>29,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Goods, works, non-consulting services, consulting services, Training and Operating Costs under Part 3 of the Project</td>
<td>24,800,000</td>
<td>100%</td>
</tr>
<tr>
<td>Item</td>
<td>Amount</td>
<td>Percentage</td>
</tr>
<tr>
<td>---------------------------------------------------------------------</td>
<td>------------</td>
<td>------------</td>
</tr>
<tr>
<td>(4) Goods, works, non-consulting services, consulting services, Training and Operating Costs under Parts 4.1 and 4.2 of the Project (except for Part 4.1(e)(ii)).</td>
<td>10,650,000</td>
<td>100%</td>
</tr>
<tr>
<td>(5) Outputs for Part 4.1(e)(ii) of the Project</td>
<td>250,000</td>
<td>100% of the applicable Unit Costs as set forth in the Operations Manual</td>
</tr>
<tr>
<td>(6) Front-end Fee</td>
<td>200,000</td>
<td>Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>80,000,000</td>
<td></td>
</tr>
</tbody>
</table>

For purposes of this Section:

(a) “Operating Costs” means the reasonable incremental costs (which would not have been incurred absent the Project) for the implementation, management and supervision of the Project, including, _inter alia_: operation and maintenance of office equipment; rental of offices; utilities; non-durable and/or consumable office materials; bank charges; operation and maintenance of vehicles (including fuel and insurance), communication, printing and publications consumables, travel cost and per diem for Project staff for travel linked to the implementation of the Project; and

(b) “Training” means expenditures (other than those for goods and consultants’ services) incurred by the Borrower to finance the reasonable travel costs (_inter alia_, accommodation, transportation, travel insurance and _per diem_) of trainees and trainers (if applicable), training registration fees, rental of training facilities and equipment, logistics and printing services, as well as preparation and reproduction of training materials.

B. Withdrawal Conditions; Withdrawal Period.

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed $16,000,000 may be made for payments made prior to this date (but in no case more than one year before the Signature Date), for Eligible Expenditures under Categories (1), (2), (3) and (4); or
(b) under Category (2) until INDRHI has submitted evidence satisfactory to the Bank, that it has safeguards and fiduciary capacity acceptable to the Bank to implement Part 2 of the Project as established under Section I.A.3 of Schedule 2 to this Agreement; or

(c) under Category (5) until: (i) the Borrower, through MEPyD, has furnished evidence acceptable to the Bank that the corresponding Water Fund has the technical and fiduciary capacity to carry out the Environmental Services Subprojects and achieve the related Outputs; (ii) the respective Water Fund Agreement has been signed by the parties thereto; and (iii) the Operational Manual has been updated to include the reimbursement mechanism to finance the Outputs in accordance with the corresponding Unit Cost, the requirements and operating guidelines applicable to the Outputs, including the verification procedures and the pertinent Unit Cost as per the agreed typologies, in a manner acceptable to the Bank.

2. Without limitation to the provisions of the Disbursement and Financial Information Letter, prior to the submission to the Bank of withdrawal applications for reimbursements in respect of payments made by the Borrower for expenditures eligible for financing with the proceeds of the Loan, the Borrower through the PCIU shall, or shall cause the INDRHI PIU to, as the case may be, review and confirm to the Bank in writing that the pertinent obligations/conditions set forth in this Agreement and in the Disbursement and Financial Information Letter, as applicable to each Eligible Expenditure, have been complied with in a manner acceptable to the Bank in accordance with the terms and conditions of this Agreement.

3. Without limitation to the provisions of Section III.B.2 of this Schedule, at the time of the submission to the Bank of withdrawals applications for reimbursement in respect of payments made for expenditures eligible for financing with the proceeds of the Loan, through the Bank’s client connection online system, the Borrower, through the PCIU shall, or shall cause the INDRHI PIU to, as the case may be, attach to each said withdrawal application the statement of expenditures (SOEs) and supporting documentation satisfactory to the Bank. The Borrower shall, through the Ministry of Finance, authorize each said withdrawal application at the time of the submission to the Bank.

4. The Closing Date is June 4, 2024 (or such other date as the Bank shall establish, upon a request from the Borrower, by notice to the Borrower).
SCHEDULE 3

Commitment-Linked Amortization Repayment Schedule

The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date ("Installment Share").

<table>
<thead>
<tr>
<th>Principal Payment Date</th>
<th>Installment Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 15, 2027</td>
<td>1.47%</td>
</tr>
<tr>
<td>July 15, 2027</td>
<td>1.50%</td>
</tr>
<tr>
<td>January 15, 2028</td>
<td>1.54%</td>
</tr>
<tr>
<td>July 15, 2028</td>
<td>1.57%</td>
</tr>
<tr>
<td>January 15, 2029</td>
<td>1.60%</td>
</tr>
<tr>
<td>July 15, 2029</td>
<td>1.64%</td>
</tr>
<tr>
<td>January 15, 2030</td>
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APPENDIX

Definitions

1. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.

2. “Beneficiary” means an agricultural producer organization (vested with legal personality) which, upon meeting the criteria set forth in the Operational Manual, is eligible to receive support for the carrying out of a Sustainable Landscape Management Subproject.

3. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.

4. “Environmental Services Subprojects” means any activity or investment for productive purposes to, inter alia, restore degraded land, protect forested areas, improve quality and access to water supply and sanitation in rural areas and promote sustainable use of natural resources, which meets the criteria set forth in the Operational Manual.

5. “ESMF” or Environmental and Social Management Framework means the “Marco para la Gestión Ambiental y Social (MGAS)”, prepared by the Borrower, acceptable to the Bank, disclosed on the Bank’s external website on February 23, 2018, setting forth the principles, guidelines, rules and procedures to assess the potential environmental, social, health and safety impacts of Project activities, and mitigation, monitoring and institutional measures to be taken to offset or eliminate any such negative impacts, or reduce them to acceptable levels, including, inter alia: (a) measures for chance findings of physical cultural property; (b) guidelines for the identification of existing environmental conditions and potential direct and indirect environmental impacts resulting from the carrying out of the Project activities (including a list of type of investments not eligible for financing under the Project); (c) guidelines for the carrying out of environmental assessments and the preparation and implementation of environmental management plans, when applicable; (d) a pest management plan; and (e) measures for enhancing each identified positive impact; as said ESMF may be amended from time to time with the Bank’s prior written approval.

6. “Environmental and Social Management Plans” or “ESMPs” means the “Plan de Manejo y Adecuación Ambiental para la Rehabilitación de Presas y Sistemas de Riego a ser Ejecutadas por el INDRHI” and the “Plan de Manejo y Adecuación Ambiental para las infraestructuras de Agua y Saneamiento a ser Ejecutadas por INAPA”, prepared by the Borrower, acceptable to the Bank, and disclosed on the Bank’s external website on February 23, 2018, setting forth the environmental and social management actions applicable to activities to be carried out respectively under Parts 2 and 3 of the Project, including, inter alia, programs and standards as well as provisions on communications and management of citizens’ feedback and claims and standards and specific mitigation measures.
for the carrying out of rehabilitation works; as said ESMPs may be amended from time to
time with the Bank's prior written approval.

7. “Evaluation Committee” means the committee referred to in Section I.B.3 of Schedule 2
to this Agreement.

8. “General Conditions” means the “International Bank for Reconstruction and Development
General Conditions for IBRD Financing, Investment Project Financing”, dated July 14,
2017.

9. “INAPA” means Instituto Nacional de Aguas Potables y Alcantarillados, the Borrower’s
national institute of drinking water and sewers, created pursuant to the Borrower’s Law
No. 5,994 dated December 12, 1962, or any successor thereto.

10. “INDRHI” means Instituto Nacional de Recursos Hidráulicos, the Borrower’s national
water institute, created pursuant to the Borrower’s Law No. 6, dated September 1965, or
any successor thereto.

11. “INDRHI PIU” means the unit referred to in Section I.A.1(b) of Schedule 2 to this
Agreement.

12. “Institutional Subsidiary Agreement” means the agreement referred to in Section I.A.2(a)
of Schedule 2 of this Agreement which establishes, inter alia, the terms and conditions by
which: (i) the Minister of Finance shall make available Loan proceeds to MEPyD and
INDRHI to implement the corresponding Parts of the Project; and (ii) MA, MARENA and
INAPA shall technically assist MEPyD for the carrying out, respectively, of Part 1.1, 1.2,
1.3 and 3 of the Project; all in accordance with the provisions of this Agreement.

13. “MA” means Ministerio de Agricultura, the Borrower’s Ministry of Agriculture, or any
successor thereto.

14. “MARENA” means for the purposes of this Agreement, Ministerio de Medio Ambiente y
Recursos Naturales, the Borrower’s Ministry of Environment and Natural Resources, or
any successor thereto.

15. “MEPyD” means Ministerio de Economía, Planificación y Desarrollo, the Borrower’s
Ministry of Economy, Planning and Development, or any successor thereto.

16. “Ministry of Finance” means Ministerio de Hacienda, the Borrower’s Ministry of Finance,
or any successor thereto.

17. “National Water Board” means Mesa de Coordinación del Recurso Agua, the Borrower’s
inter-institutional structure to coordinate and facilitate the work of the Borrower’s
institutions responsible for integrated water resource management, created pursuant to
18. “Operational Manual” means the Borrower’s manual referred to in Section I.D.1 of Schedule 2 to this Agreement, as the same may be amended from time to time with the prior written consent of the Bank, and such term includes any schedules to such manual.

19. “Output” means any of the outputs eligible for financing out of the proceeds of the Loan for Part 4.1(e)(ii) of the Project in the numbers and typology included in the Operational Manual.

20. “Ozama-Isabela River Basin” means, for purposes of the Project, the zone of approximately 2,700 square kilometers of the drainage area of the Ozama and Isabela rivers, comprising parts of the territories of the Borrower’s Province of Monte Plata and Santo Domingo and the Santo Domingo District.

21. “Panel of Experts” means the panel of independent experts referred to in Section I.E.2 of Schedule 2 to this Agreement.

22. “PCIU” means the unit referred to in Section I.A.1(a) of Schedule 2 to this Agreement.

23. “Procurement Regulations” means, for purposes of paragraph 85 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated July 2016, revised November 2017 and August 2018.

24. “Productive Alliance” means a business venture between Beneficiaries and agribusiness buyers to respectively produce and purchase agreed quantities of products of a specific quality at an agreed reference price during certain period.

25. “RPF” means the Borrower’s Resettlement Policy Framework, acceptable to the Bank, and disclosed on the Bank’s external website on February 21, 2018, which contains, inter alia, procedures and guidelines for the preparation, adoption, implementation and monitoring of resettlement action plans, as said framework may be amended from time to time with the prior agreement of the Bank.

26. “Safeguard Documents” means ESMF, the ESMPs and the RPF, as the same may be amended, supplemented or otherwise modified from time to time with the prior written agreement of the Bank.

27. “Signature Date” means the later of the two dates on which the Borrower and the Bank signed this Agreement and such definition applies to all references to “the date of the Loan Agreement” in the General Conditions.

28. “Steering Committee” means the committee referred to in Section I.A.4 of Schedule 2 to this Agreement.

29. “Sustainable Landscape Management Subprojects” means any demand-driven investments or technical assistance provided to promote sustainable landscape management practices.
including the provision of support for the development of Productive Alliances with commercial partners, all in accordance with the criteria set forth in the Operational Manual.

30. “Sustainable Landscape Management Subproject Agreement” means the agreement referred to in Section 2.B.1 of Schedule 2 to this Agreement.

31. Targeted River Basins means the Yaque del Norte River Basin and the Ozama-Isabela River Basin.

32. “Unit Cost” means the average aggregated amount of goods, works, non-consulting services, consulting services and Operating Costs required for composing each of the Outputs, established according to a methodology specified in the Operational Manual, as such Unit Cost may be modified in agreement with the Bank.


34. “Water Fund Agreement” means the agreement referred to in Section I.C.1 of Schedule 2 to this Agreement.

35. “Yaque del Norte River Basin” means, for purposes of the Project, the zone of approximately 7,000 square kilometers of the drainage area of the Yaque del Norte River, comprising parts of the territories of the Borrower’s Provinces of La Vega, Santiago de los Caballeros, Santiago Rodriguez, Monte Cristi, Valverde and Dajabon.