Financing Agreement

(Kabeli-A Hydroelectric Project)

between

NEPAL

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated November 24, 2014
FINANCING AGREEMENT

AGREEMENT dated November 24, 2014, entered into between NEPAL ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions.

ARTICLE II — FINANCING

2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a 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 four million Special Drawing Rights (SDR 4,000,000) ("Grant"); and

(b) an amount equivalent to twenty six million one hundred thousand (SDR 26,100,000) ("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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 May 15 and November 15 in each year.

2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

2.07. The Payment Currency is Dollars.
ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall: (i) cause KEL to carry out Part 1 of the Project; and (ii) carry out Part 2 of the Project through MOE and Part 3 of the Project through IBN, all in accordance with the provisions of Article IV of the General Conditions and the Project Agreement.

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

ARTICLE IV — REMEDIES OF THE ASSOCIATION

4.01. The Additional Events of Suspension consist of the following, namely that:

(a) KEL’s Articles of Association and/or KEL’s Memorandum of Association have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of KEL to perform any of its obligations under the Project Agreement; and

(b) The Project Development Agreement has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of KEL to perform any of its obligations under the Project Agreement

4.02. The Additional Event of Acceleration consists of the following, namely that any of the events specified in Section 4.01 of this Agreement occur.

4.03. The Co-financing Deadline for the effectiveness of the Co-financing Agreement is June 30, 2017.

ARTICLE V — EFFECTIVENESS; TERMINATION

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

(a) the HIDCL Subsidiary Agreement has been executed on behalf of the Recipient and HIDCL; and

(b) the KEL Subsidiary Agreement has been executed on behalf of HIDCL and KEL.

5.02. The Additional Legal Matters consist of the following:
(a) the HIDCL Subsidiary Agreement has been duly authorized or executed by the Recipient and HIDCL and is legally binding upon the Recipient and HIDCL in accordance with its terms;

(b) the KEL Subsidiary Agreement has been duly authorized or executed by the HIDCL and KEL and is legally binding upon HIDCL and KEL in accordance with its terms; and

5.03. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

5.04. For purposes of Section 8.05(b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient’s Representative is the Secretary, Ministry of Finance of the Recipient.

6.02. The Recipient’s Address is:

Ministry of Finance
Government of Nepal
Singha Durbar
Kathmandu
Nepal

Facsimile:

(977-1) 4211-164

6.03. The Association’s Address is:

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

Cable: Telex: Facsimile:

INDEVAS 248423 (MCI) 1-202-477-6391
Washington, D.C.
AGREED at Kathmandu, Nepal, as of the day and year first above written.

NEPAL

By

Authorized Representative

Name: Suman Prasad Sharma
Title: Finance Secretary

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: Takuya Kamata
Title: Country Manager
SCHEDULE 1

Project Description

The objective of the Project is to add hydropower generation capacity to supply the NEA grid through public private investment.

The Project consists of the following parts:

Part 1. Development of Kabeli-A Hydroelectric Project

Development of Kabeli-A Hydroelectric Project, including the construction of a diversion dam, a settling basin, a headrace tunnel, and a semi-underground powerhouse.

Part 2: Technical Assistance and Capacity Building for MOE

(a) Provision of technical assistance to MOE to enable it to perform technical due diligence for Part 1 of the Project in order to ensure compliance with the Project Development Agreement, Environment Management Plan and Social Action Plan, and the sustainability of the Project.

(b) Technical, environmental and social safeguards capacity building on integrated river basin management and cumulative impacts management for sustainable hydropower development, including development and adoption of guidelines for undertaking the cumulative impact assessments and resettlement.

(c) Provision of incremental operating costs for Project implementation.

Part 3: Technical Assistance and Capacity Building for IBN

(a) Provision of technical assistance to IBN to enable it, following applicable international performance, technical, environmental and social standards equivalent to relevant World Bank’s Safeguards Policies, to: (i) conduct appropriate due diligence to assess readiness of large-sized hydropower projects proposed by private investors, and thereafter, carry out negotiations with selected private investors for signing project development agreements; (ii) supervise the construction of the above-mentioned projects to ensure compliance with the terms and conditions of the project development agreements and sustainability of such projects; and (iii) build up its procurement, financial management, environmental and social safeguards and technical capacities.

(b) Provision of incremental operating costs for Project implementation.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements for Parts 2 and 3 of the Project

1. The Recipient: (a) through the Secretary of MOE shall oversee the implementation of Part 2 of the Project; and (b) through IBN shall be responsible for implementing Part 3 of the Project.

2. For purposes of implementing Part 3 of the Project, the Recipient shall designate and maintain throughout the period of implementation of the Project, IBN as the entity responsible for the overall implementation of Part 3 of the Project, which shall be: (i) assisted by competent staff, all with experience and qualification, in numbers and under terms of reference acceptable to the Association; and (ii) provided with financial resources, functions and competences, acceptable to the Association.

B. HIDCL Subsidiary Agreement and KEL Subsidiary Agreement

1. To facilitate the carrying out of Part 1 of the Project:

(a) the Recipient shall make the proceeds of the Financing allocated from time to time to Category 1 available to HIDCL under a subsidiary agreement between the Recipient and HIDCL (the “HIDCL Subsidiary Agreement”), under terms and conditions satisfactory to the Association; and

(b) the Recipient shall cause HIDCL to further on-lend the said proceeds of the Financing referred to in paragraph 1(a) above to KEL under a subsidiary agreement between HIDCL and KEL (the “KEL Subsidiary Agreement”), under terms and conditions satisfactory to the Association, which shall include, inter alia, the following:

   (i) an amount equivalent to forty million Dollar (USD 40,000,000) shall be provided as a subsidiary credit (the “Subsidiary Credit”) for the purposes of financing goods, works, non-consulting services and consultants’ services under Part 1 of the Project;

   (ii) the Subsidiary Credit shall be denominated and repayable in Dollars, and shall be charged 2% interest plus 6 months LIBOR determined as of the date of signing of the KEL Subsidiary Agreement on the principal amount withdrawn and outstanding from time to time; and
(iii) the Subsidiary Credit shall be repayable over a period not exceeding twenty-three (23) years from the date of the first disbursement under the KEL Subsidiary Agreement, inclusive of a grace period not exceeding eight (8) years: and

(iv) the Subsidiary Credit provided under the KEL Subsidiary Agreement shall be subordinated to other credits provided by other lenders.

2. The Recipient shall, and shall cause HIDCL to, exercise its respective rights under the relevant Subsidiary Agreement in such a manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing and, except as the Association shall otherwise agree, the Recipient shall not, and shall cause HIDCL not to, assign, amend, abrogate or waive the relevant Subsidiary Agreement or any of its provisions.

3. In the event of any conflict between the provisions of any Subsidiary Agreement and those of this Agreement or the Project Agreement, this Agreement and the Project Agreement shall prevail.

C. Anti-Corruption

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

D. Safeguards (including Dam Safety) and GAAP

1. The Recipient shall, and shall cause the Project Implementing Entity to:

(a) carry out the Project in accordance with the provisions of the Safeguards Instruments and those of the GAAP and ensure that no action is taken which would have material adverse effect with such implementation;

(b) in particular, and without limitation, take all necessary actions to minimize, to the extent possible, any involuntary loss by persons of shelter, productive assets or access to productive assets, income or means of livelihood, temporarily or permanently;

(c) not amend, revise or waive, nor allow to be amended, revised or waived, the provisions of the said Safeguards Instruments or the GAAP without the prior written agreement of the Association; and

(d) ensure that sufficient resources shall be allocated and used to implement the measures and mitigations set out in the Safeguards Instruments, in a timely and effective manner. No proceeds of the Financing shall be used
to finance land acquisition or resettlement or rehabilitation costs for the Project.

2. In the event of any conflict between the provisions of any Safeguards Instrument or the GAAP, and those of this Agreement or the Project Agreement, the latter shall prevail.

3. The Recipient shall ensure or caused to be ensured, that:

(a) the terms of reference for any consultants’ services in respect of any activity under Parts 2(a), 2(b) and 3(a) of the Project shall be satisfactory to the World Bank following its review thereof and, to that end, such terms of reference shall duly incorporate applicable international performance, technical, environmental and social standards equivalent to the World Bank Safeguards Policies then in force, as applied to the advice conveyed through such technical assistance; and

(b) IBN shall: (i) apply such standards in a manner satisfactory to the Association in carrying out Parts 3(a)(i) and (ii) of the Project; and (ii) to that end, shall provide to the Association for its review and approval an institutional strengthening action plan prior to the commencement of Project activities under Part 3 of the Project; and (iii) thereafter implement such plan to the satisfaction of the Association. The Recipient expressly acknowledges and agrees that the Association shall be held harmless from any liabilities associated with the private investor hydropower projects referred to in Part 3(a) of the Project.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Recipient shall cause KEL to monitor and evaluate the progress of Part 1 of the Project, and prepare Project Reports for such Part of the Project in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators agreed with the Association.

2. The Recipient, through MOE and IBN, shall monitor and evaluate the progress of Parts 2 and 3 of the Project, and prepare Project Reports for such Parts of the Project in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators agreed with the Association.

3. Each Project Report shall cover the period of one (1) trimester of the Fiscal Year, and shall be furnished to the Association not later than forty-five (45) days 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, and cause HIDCL and IBN to prepare and furnish to the Association, as part of the Project Reports and not later than forty-five (45) days after the end of each trimester of the Fiscal Year, respective interim unaudited financial reports for their Respective Parts of the Project covering such trimester, 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. The Recipient shall cause IBN, HIDCL, and KEL to have their Financial Statements for their Respective Parts of the Project audited in accordance with the provisions of Section 4.09(b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one (1) fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. Goods, 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 I and III, as the case maybe, of the Procurement Guidelines, and with the provisions of this Section as applicable.

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: (a) National Competitive Bidding, subject to the procedures set out in Section E below; (b) well-established Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the Association; (c) Shopping; (d) Direct Contracting; and (e) Procurement under Public Private Partnership Arrangements in accordance with procedures which have been found acceptable to the Association.

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: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants’ Qualifications; (e) Single-source Selection of consulting firms; (f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (g) Single-source procedures for the Selection of Individual Consultants.

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.

E. **National Competitive Bidding**

The following additional procedures shall apply to goods and works procured on the basis of National Competitive Bidding:
1. Only the model bidding documents for National Competitive Bidding agreed with the Association (as amended from time to time), including qualification criteria shall be used;

2. Bid documents shall be made available, by mail or in person, to all who are willing to pay the required fee;

3. Foreign bidders shall not be precluded from bidding and no preference of any kind shall be given to national bidders;

4. Bids shall be opened in public in one place, immediately after the deadline for submission of bids;

5. Qualification criteria (in case pre-qualifications were not carried out) shall be stated in the bidding documents, and if a registration process is required, a foreign firm declared as the lowest evaluated bidder shall be given a reasonable opportunity of registering, without let or hindrance;

6. Evaluation of bids shall be made in strict adherence to the criteria disclosed in the bidding documents, in a format and specified period agreed with the Association and contracts shall be awarded to the lowest evaluated bidders;

7. Rebidding shall not be carried out without the prior concurrence of the Association;

8. Extension of bid validity shall not be allowed without the prior concurrence of the Association (A) for the first request for extension if it is longer than four (4) weeks and (B) for all subsequent requests for extension irrespective of the period; and

9. There shall not be any restrictions on the means of delivery of the bids.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing ("Category"), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<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) Part 1 of the Project: Goods, works, non-consulting services, and consultants’ services</td>
<td>26,100,000</td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>(2) Part 2 of the Project: consultants’ services and Incremental Operating Costs</td>
<td></td>
<td>1,333,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Part 3 of the Project: consultants’ services and Incremental Operating Costs</td>
<td></td>
<td>2,667,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>26,100,000</td>
<td>4,000,000</td>
<td></td>
</tr>
</tbody>
</table>

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made:
   (a) prior to the date of this Agreement; and
   (b) under Category (3) unless the Recipient, through IBN, has hired a financial management specialist and a procurement specialist under terms of reference satisfactory to the Association.

2. The Closing Date is December 30, 2019.

C. Other Undertakings

The Recipient shall ensure that NEA complies with all of its performance and payments obligations arising under and in connection with the Power Purchase
Agreement, in a timely manner, failing which the Recipient shall take all necessary actions on NEA’s behalf to ensure compliance of such obligations, including providing NEA with all the necessary funds to cover any amount due to KEL for electricity supplied to NEA under the Project.
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 May 15 and November 15:</td>
<td></td>
</tr>
<tr>
<td>commencing November 15, 2020 to and including May 15, 2052</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

Definitions

1. “Affected Persons” means persons who, on account of implementation 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 persons 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.


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


5. “Co-financing” means, for purposes of paragraph 11 of the Appendix to the General Conditions, an amount up to USD19,060,000 to be provided by the Co-financier in its own capacity and a further amount up to USD19,060,000 to be provided by the Co-financier in its capacity as implementing entity for the Canada Climate Change Program, all to assist in financing the Project.

6. “Co-financing Agreement” means the agreement to be entered into between KEL and the Co-financier providing for the Co-financing.


8. “Dam Safety Plan” means the KEL’s plan dated September 2011, satisfactory to the Association, for the safe operation and construction of the dam under the Project which includes (a) a construction supervision and quality assurance plan; (b) an emergency preparedness plan; (c) an instrumentation plan; and (d) an operation and maintenance plan, as such plan may be revised from time to time with the prior written agreement of the Association.

9. “Environmental Impact Assessment Report” means KEL’s report, acceptable to the Association, dated October 2013, and disclosed on October 25, 2013; as such report may be revised from time to time with the prior written agreement of the Association.
10. “Environmental Management Plan” means KEL’s plan, acceptable to the Association, as part of the Environmental Impact Assessment Report disclosed in the territory of the Recipient on October 25, 2013; which describes, among other things the environmental management, mitigation, monitoring, reporting and institutional measures to be undertaken during the Project to protect the environment, including aquatic and forest and cultural resources, as such plan may be revised from time to time with the prior written agreement of the Association.

11. “Fiscal Year” means the fiscal year of the Recipient which commences on around mid-July in each year.


13. “Governance and Accountability Action Plan” and “GAAP” mean the plan dated November 7, 2013, satisfactory to the Association, which sets out the key actions to be undertaken by the Recipient and KEL during Project implementation to strengthen governance, transparency, and accountability under the Project, as such plan may be amended from time to time with the prior written agreement of the Association.

14. “HIDCL Subsidiary Agreement” means the agreement referred to in Schedule 2, Section I, Part B1(a) of this Agreement pursuant to which the Recipient shall make part of the proceeds of the Financing available to HIDCL for on-lending to KEL.

15. “HIDCL” means the Hydroelectricity Investment and Development Company Limited, an investment and development company duly established, registered and operating under the laws of the Recipient.

16. “IBN” means the Investment Board of Nepal, a board created under the Investment Board Nepal Act, 2068 and chaired by the Recipient’s Prime Minister; and any successor thereto acceptable to the Association for purposes of implementing Part 3 of the Project.

17. “Incremental Operating Costs” means Project-related incremental operating costs incurred on account of implementation, management and monitoring, dissemination of Project-related information, office equipment, consumables, maintenance and repair of vehicles, vehicle rental/leasing, equipment maintenance and repair, travel, including travel to Project sites, communication, commercial bank charges, advertising, and other costs directly associated with the Project, but excluding the salaries and benefits of the Recipient’s civil servants.
18. “Indigenous People and Vulnerable Community Development Plan” means KEL’s plan, satisfactory to the Association and incorporated into, and publically disclosed with, the Social Action Plan, setting out a program of actions, policies and strategies designed to protect specific indigenous peoples and vulnerable people affected by the Project and to maximize the benefits accruing to such peoples under the Project, as such plan may be revised from time to time with the prior written consent of the Association.

19. “KEL Articles of Association and KEL’s Memorandum of Association” mean the documents dated January 27, 2010, related to the formation, powers, functions, and operational procedures of KEL, as such documents may be amended from time to time.

20. “KEL Subsidiary Agreement” means the agreement referred to in Schedule 2, Section I, Part B.1(b) of this Agreement pursuant to which HIDCL shall make part of the proceeds of the Financing available to KEL.

21. “KEL” means Kabeli Energy Limited, a company established and operating under the Recipient’s Company Act, 2063, and any successor thereto acceptable to the Association, which is the Project Implementing Entity for the Project.


23. “NEA” means the Nepal Electricity Authority a vertically-integrated government-owned utility established under the Nepal Electricity Authority Act, 1984 and responsible for, among other things, generation, transmission and distribution of electricity in Nepal, and any successor thereto.

24. “Owner’s Engineer” means the team of experts to be engaged by KEL as provided for in the Schedule to the Project Agreement at Section I, Part E, to assist it in the implementation of Part 1 of the Project (including with coordination between the contractors and helping to resolve interface issues) and to provide construction management training to its staff.

25. “Panel of Experts” means the independent panel of experts referred to in paragraph 2(a) of Section I.D of the Schedule to the Project Agreement, as said panel may be reconstituted from time to time with the prior written agreement of the Association under terms of reference and with experts whose qualifications and experience are acceptable to the Association.

26. “Project Development Agreement” means the agreement dated January 31, 2010 entered into between the Recipient and KEL, including its amendments, for the purposes of construction of the Kabeli-A hydroelectric power plant to be financed under the Project.
27. “Power Purchase Agreement” or “PPA” means the power purchase agreement to be entered into between NEA and KEL for purposes of selling energy to be generated by the plan described under Part 1 of the Project.


29. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated October 27, 2013, 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.

30. “Project Implementing Entity” means KEL, or any successor thereto acceptable to the Association.

31. “Resettlement Compensation Plan and Livelihood Assistance Plan” means the Project Implementing Entity’s plan, satisfactory to the Association and incorporated into, and publically disclosed with, the Social Action Plan, setting out setting out the arrangements and procedures for the compensation and rehabilitation of Affected Persons, as such plan may be revised from time to time with the prior written consent of the Association.

32. “Respective Part of the Project” means, with respect to KEL, Part 1 of the Project and, with respect to the Recipient, Parts 2 and 3 of the Project.


34. “Social Action Plan” and “SAP” mean the Project Implementing Entity’s plan acceptable to the Association dated July 2013, and disclosed in the territory of the Recipient on September 3, 2013, which includes, among other things (a) an overall social safeguard policy framework of actions, policy and other measures for addressing social impacts on vulnerable populations and for compensation and assistance to people affected by the implementation of the Project; (b) a Resettlement Compensation Plan and Livelihood Assistance Plan; (c) an Indigenous People and Vulnerable Community Development Plan; (d) public health measures; (e) benefits-sharing measures; (f) a public consultation and communications strategy; and (g) implementation arrangements including grievance redress and monitoring mechanisms, as the same may be amended from time to time with the prior written agreement of the Association.
35. "Subsidiary Agreement" means each of the HIDCL Subsidiary Agreement and the KEL Subsidiary Agreement, as the context requires.