Financing Agreement

(Additional Financing for Rural and Urban Access Improvement Project)

between

REPUBLIC OF NICARAGUA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between REPUBLIC OF NICARAGUA ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") for the purpose of providing additional financing for activities related to the Original Project (as defined in the Appendix to this Agreement). 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) 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 — CREDIT

2.01. The Association agrees to extend to the Recipient a credit, deemed by the Association to be on non-concessional terms, as set forth or referred to in this Agreement, in the amount of thirty-five million Dollars ($35,000,000) ("Credit"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").

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

2.03. The Front-end Fee is one quarter of one percent (¼ of 1%) of the Credit amount.

2.04. The Commitment Charge is one-quarter of one percent (¼ of 1%) per annum on the Unwithdrawn Credit Balance.

2.05. The Interest Charge is the Reference Rate plus the Fixed Spread or such rate as may apply following a Conversion; subject to Section 3.09(e) of the General Conditions.

2.06. The Payment Dates are May 15 and November 15 in each year.
2.07. The principal amount of the Credit shall be repaid in accordance with Schedule 3 to this Agreement.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall: (a) carry out Parts 1.1, 1.4, 2 and 3 (except 3.6 (b)) of the Project through MTI; (b) carry out Part 1.2 of the Project through MTI, with the assistance of MCAs; (c) cause FOMAV to carry out Parts 1.3 and 3.6 (b) of the Project; and (d) cause the Coordinating Authority to carry out Part 4 of the Project, in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

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

(a) The FOMAV Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely, in the opinion of the Association, the ability of FOMAV to perform any of its obligations under the Subsidiary Agreement;

(b) the Procurement Law has been amended, suspended, abrogated, repealed or waived so as to render its Article 5 (e) ineffective, in the opinion of the Association, and no provision analogous to such Article 5 (e) has been adopted to replace said provision; and

(c) that FOMAV shall have failed to comply with its obligations under the Subsidiary Agreement.

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

(a) Any event specified in paragraphs (a) or (b) of Section 4.01 of this Agreement occurs.

(b) Any event specified in paragraph (c) of Section 4.01 of this Agreement occurs and is continuing for a period of thirty (30) days after notice of the event has been given by the Association to the Recipient.
ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Condition of Effectiveness consists of the following, namely, that the Operational Manual has been updated by the Recipient and FOMAV in a manner acceptable to the Association.

5.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

5.03. For purposes of Section 10.05 (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 Signature Date.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient’s Representative is its Minister of Finance and Public Credit.

6.02. For purposes of Section 11.01 of the General Conditions:

(a) the Recipient’s address is:

Ministerio de Hacienda y Crédito Publico
Avenida Bolívar, frente a la Asamblea Nacional, 4to. piso
Managua
Republic of Nicaragua; and

(b) the Recipient’s Electronic Address is:

Facsimile:
(505) 2222-3033

6.03. For purposes of Section 11.01 of the General Conditions:

(a) The Association’s address is:

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

(b) the Association’s Electronic Address is:

Telex: 248423 (MCI) Facsimile: 1-202-477-6391
AGREED as of the Signature Date.

REPUBLIC OF NICARAGUA

By

[Signature]

Authorized Representative

Name: Ivan Aeosta
Title: Minister of Finance
Date: April 2, 2018

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

[Signature]

Authorized Representative

Name: Luis F. Constantino
Title: Country Manager
Date: April 2, 2018
SCHEDULE 1

Project Description

The objectives of the Project are to: (a) improve safe and sustainable access to markets and services in targeted rural and urban areas of the Recipient; and (b) in the event of an Eligible Emergency, provide immediate and effective response to said Eligible Emergency.

The Project consists of the following parts:

Part 1: Road Infrastructure Improvement

1.1 Upgrading of the La Garita-Tipitapa (about 8 kilometers) and Ciudad Sandino-Mateare (about 11.8 kilometers) road sections from two to four lanes to improve access to the city of Managua for commuters and reduce transport costs for the transit traffic, including the incorporation of road safety measures in the design and the supervision of the works.

1.2 Carrying out of rehabilitation and improvement works (such as cobblestone surfacing or any other viable surface replacement option acceptable to the Association), and the construction of drainage facilities and structures on Selected Rural Roads, all within the existing right of way.

1.3 (a) Carrying out of periodic maintenance works (such as asphalt resurfacing), on approximately 30 kilometers of the San Lorenzo-Múhan priority section of the Core Road Network, all within the existing right of way.

(b) Carrying out of routine maintenance of Selected Rural Roads paved with cobblestone, all within the existing right of way.

1.4 Carrying out of works to improve the resilience of vulnerable points of the Recipient’s road network to climate change impacts, selected in accordance with the criteria set forth in the Operational Manual.

Part 2: Road Safety

2.1 Carrying out of civil works to implement road safety measures in road accident hazardous spots, selected in accordance with the criteria set forth in the Operational Manual.

2.2 Provision of support for the implementation of the Recipient’s Road Safety Strategy for the period of 2013-2018, and carrying out of capacity building activities for managing road safety, including, inter alia: (a) road safety audits of the La Garita—Tipitapa and Ciudad Sandino-Mateare road sections upgraded under Part 1.1 of the Project; (b) technical studies related to the works under Part 2.1 of
the Project; (c) training of members of CONASEV; (d) provision of speed radars and breathalyzers to improve enforcement of road safety; and (e) institutional strengthening of MTI road safety professionals.

Part 3: Institutional Strengthening and Implementation Support

3.1 Strengthening of the capacity of MTI’s planning unit for: (a) monitoring and evaluation; (b) collection of road sector statistical data; and (c) administering and managing information collected through its statistical software program.

3.2 Carrying out of a forward-looking impact evaluation of the activities implemented under the Project with a focus on poverty.

3.3 Carrying out of the financial audits of the Project.

3.4 Strengthening of the environmental and social safeguards capacity of the environmental unit of the MTI.

3.5 Strengthening of the procurement capacity of the MTI.

3.6 Strengthening of the institutional capacity of: (a) MTI; and (b) FOMAV.

3.7 Provision of support for the enhancement of women’s participation in the road works.

3.8 Provision of support for technical studies related to works under the Project or to other potential investments in the transport sector.

3.9 Carrying out of a beneficiary satisfaction survey to promote citizen engagement.

Part 4: Immediate Response Mechanism

Provision of immediate support to respond to an Eligible Emergency, as needed.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient, through MTI, shall:
   
   (a) maintain a Project coordination unit within MTI (the UCR-BM) with functions and responsibilities satisfactory to the Association, including, inter alia: (i) overall planning, coordination and monitoring of Project activities; (ii) managing of the procurement process for the hiring of MCAs and other contractors with respect to Part 1.2 of the Project; (iii) managing the procurement processes for the selection of consultants under the Project; (iv) periodic updating of the Procurement Plan, the preparation of financial reports and the hiring of external auditors; and (v) coordination with FOMAV with respect to Parts 1.3 and 3.6 (b) of the Project;
   
   (b) staff the UCR-BM with personnel in numbers and with experience and qualifications, all satisfactory to the Association; and
   
   (c) ensure that the MCAs carry out their respective procurement activities under Part 1.2 of the Project in accordance with the relevant provisions of the Operational Manual.

2. The Recipient shall:
   
   (a) not later than November 30 of each year during Project implementation, furnish FOMAV’s annual work plans to the Association, each of which shall be in form and substance satisfactory to the Association and in conformity with the relevant provisions of the Operational Manual; and
   
   (b) cause FOMAV to be staffed at all times during Project implementation with personnel in numbers and with experience and qualifications, all acceptable to the Association.

B. Subsidiary Agreement

1. The Recipient shall cause FOMAV to carry out Parts 1.3 and 3.6 (b) of the Project in accordance with the Subsidiary Agreement.

2. The Recipient shall exercise its rights and carry out its obligations under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as
the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, waive, terminate or fail to enforce the Subsidiary Agreement or any of its provisions. In case of any inconsistency between any provision of the Subsidiary Agreement and this Agreement, the provisions of this Agreement shall prevail.

C. Operational Manual

1. The Recipient shall: (a) carry out Parts 1.1, 1.2, 1.4, 2 and 3 (except 3.6 (b)) of the Project; and (b) cause FOMAV to carry out Parts 1.3 and 3.6 (b) of the Project, in accordance with the terms of the Operational Manual, acceptable to the Association, which shall include, inter alia:

(a) the detailed description of all Project implementation activities, their sequencing and the prospective timetable and benchmark in relation thereto;

(b) the financing plan for the Project, including the cost allocation for each Part of the Project and the source of funding;

(c) the Project administrative, financial, accounting, auditing, procurement and disbursement procedures, including all relevant standard documents;

(d) the procedures for the procurement to be carried out by MCAs;

(e) the models for proposals and bid evaluation reports and for short lists preparation, for works, goods, non-consulting services and consulting services (as the case may be);

(f) the standard bidding documents and model contracts, which shall include the pertinent ESMPs for Improvement Works, the ESMPs for Maintenance Works, the pertinent environmental management plans prepared under the ESMF, the pertinent ARAPs for Improvement Works, the RAPs, the pertinent resettlement action plans prepared under the RPF, the IPP and the pertinent indigenous peoples plans prepared under the IPPF, and any additional relevant environmental/social management plans prepared pursuant to Section 1E of Schedule 2 to this Agreement;

(g) the ESMPs for Improvement Works, ESMPs for Maintenance Works, the ARAPs for Improvement Works, the RAPs, the IPP, the ESMF, the RPF and the IPPF;

(h) the plan for the monitoring, evaluation and supervision of the Project;

(i) the performance indicators for the Project;
(j) the criteria to identify and prioritize, by the Recipient and FOMAV, the roads sections within the Selected Rural Roads;

(k) the guidelines for the carrying out of environmental and social screenings and/or assessment of works under the Project for the preparation of the relevant environmental/social management plans referred to in Section I.E of this Schedule;

(l) the procedures for the implementation of Part 1.3 of the Project, including: (i) selection criteria for the micro-enterprises which FOMAV may contract to carry out road maintenance works on the Selected Rural Roads; and (ii) the standard operating procedures for environmental and social management of small scale impacts resulting from routine maintenance minor works;

(m) the list of Selected Rural Roads;

(n) the selection criteria to be used for Parts 1.4 and 2.1 of the Project; and

(o) the detailed arrangements and procedures for grievance mechanisms and code of conduct for any contractors, sub-contractors or consultants hired to carry out activities under the Project.

2. Except as the Recipient and the Association may otherwise agree in writing, the Recipient shall not abrogate, amend, suspend, terminate, waive or otherwise fail to enforce the Operational Manual or any provision thereof.

3. In case of any conflict between the terms of the Operational Manual and those of this Agreement, the terms of this Agreement shall prevail.

D. Implementation Arrangements for Part 4 of the Project – Immediate Response Mechanism

The provisions set forth in Section I.D of Schedule 2 to the Original Financing Agreements constitute an integral part of this Agreement.

E. Safeguards

1. The Recipient shall carry out Part 1.1 of the Project in accordance with the relevant ESMPs for Improvement Works and the relevant ARAPs for Improvement Works.

2. (a) The Recipient shall carry out Part 1.2 of the Project in accordance with the relevant ESMPs for Improvement Works, the relevant ARAP for Improvement Works, the relevant RAPs, the IPP, and the RPF (and any plans prepared thereunder).
(b) Except as covered under the ARAPs for Improvement Works and the RAPs, the Recipient shall ensure that the works under Part 1.2 of the Project do not involve any Resettlement, or in the event that the need for Resettlement arises during Project implementation due to unforeseen circumstances, the Recipient shall, prior to the carrying out of any given works in which Resettlement is involved, prepare the necessary resettlement action plans in accordance with the RPF, acceptable to the Association, and immediately thereafter implement such plans in accordance with their terms.

3. (a) The Recipient shall cause FOMAV to carry out: (a) Part 1.3 (a) of the Project in accordance with the ESMP for Maintenance Works; and (b) Part 1.3 (b) of the Project in accordance with the ESMF and any environmental and social management plans prepared thereunder for Selected Rural Roads.

(b) The Recipient shall ensure that the works under Part 1.3 of the Project do not involve any Resettlement, or, in the event that the need for Resettlement arises during Project implementation due to unforeseen circumstances, the Recipient shall cause FOMAV to, prior to the carrying out of any given works in which Resettlement is involved, prepare the necessary resettlement action plans in accordance with the RPF, and acceptable to the Association, and thereafter implement such plans in accordance with their terms.

4. The Recipient shall carry out Parts 1.4 and 2 of the Project in accordance with the ESMF (and any environmental and social management plans prepared thereunder); the RPF (and any resettlement action plans prepared thereunder); and the IPPF (and any indigenous peoples plans prepared thereunder).

5. The Recipient shall not, and shall cause FOMAV not to, amend, suspend or abrogate any of the provisions of the ESMPs for Improvement Works, the ESMP for Maintenance Works, the IPP, the ARAPs for Improvement Works, the ESMF (and any environmental management plans prepared thereunder); the RPF (and any resettlement action plans prepared thereunder), or the IPPF (and any indigenous peoples plans prepared thereunder) without the prior agreement of the Association.

6. The Recipient shall ensure that the terms of reference for any consultancies related to any technical assistance provided under the Project shall be satisfactory to the Association, following its review thereof, and to that end, such terms of reference shall incorporate the requirements of the Association Safeguard Policies then in force, as applied to such technical assistance.

7. The Recipient and the Association agree that no works are planned in the Los Cocos-Malacatoya section of the Granada-Malacatoya road section. However, in
the event that any works become necessary during Project implementation, prior to carrying out any activities in the Los Cocos-Malacatoya road section of the Granada-Malacatoya road section, the Recipient shall update and disclose the Granada-Malacatoya ESMP 1 in accordance with the ESMF, and in a manner satisfactory to the Association, and ensure that it is implemented in accordance with its terms.

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

The Recipient shall furnish to the Association each Project Report not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester.

Section III. **Withdrawal of the Proceeds of the Credit**

A.  **General**

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Credit to: (a) finance Eligible Expenditures; and (b) pay: (i) the Front-end Fee; and (ii) each Interest Rate Cap or Interest Rate Collar premium; in the amount allocated and, if applicable, up to the percentage set forth against each Category in the following table:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Credit Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works and consulting services for Part 1.2 of the Project</td>
<td>34,912,500</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Emergency Expenditures under Part 4 of the Project</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Front-end Fee</td>
<td>87,500</td>
<td>Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 3.08 (b) of the General Conditions</td>
</tr>
<tr>
<td>Category</td>
<td>Amount of the Credit Allocated (expressed in USD)</td>
<td>Percentage of Expenditures to be Financed (inclusive of Taxes)</td>
</tr>
<tr>
<td>----------------------------------------------</td>
<td>--------------------------------------------------</td>
<td>---------------------------------------------------------------</td>
</tr>
<tr>
<td>(4) Interest Rate Cap or Interest Rate Collar premium</td>
<td>0</td>
<td>Amount due pursuant to Section 4.06 (c) of the General Conditions</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>35,000,000</td>
<td></td>
</tr>
</tbody>
</table>

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A above, and if applicable, no withdrawal shall be made:

   (a) for payments made prior to the Signature Date; or

   (b) under Category (2), unless the Association is satisfied, and has notified the Recipient of its satisfaction, that the conditions referred to in Section IV.B.1(b) of Schedule 2 to the Original Financing Agreements have been met.

2. The Closing Date is June 30, 2022.
SCHEDULE 3
Commitment-Linked Amortization Repayment Schedule

The following table sets forth the Principal Payment Dates of the Credit and the percentage of the total principal amount of the Credit 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>On each May 15 and November 15</td>
<td></td>
</tr>
<tr>
<td>Beginning May 15, 2028</td>
<td></td>
</tr>
<tr>
<td>through November 15, 2047</td>
<td>2.50%</td>
</tr>
</tbody>
</table>
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. "ARAPs for Improvement Works" means any of the following Recipient's abbreviated resettlement action plans, acceptable to the Association, for the carrying out of works under Parts 1.1 and 1.2 of the Project; as each said plan may be amended from time to time with the prior no-objection from the Association:

   (i) La Garita-Tipitapa ARAP, covering the complete road section, dated December 21, 2016, published by the Recipient on December 27, 2016, and on the Association’s website on December 28, 2016;

   (ii) Ciudad Sandino-Mateare ARAP, covering the complete road section, dated December 22, 2016, published by the Recipient on December 27, 2016, and on the Association’s website on December 28, 2016; and


4. "Category" means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.

5. "CONASEV" means Consejo Nacional de Seguridad y Educación Vial, the National Council for Road Safety and Education, created under the Recipient’s Law No. 856, duly published in the Recipient’s Official Gazette No. 66 on April 7, 2014, which amends Law No. 431. The text of Law No. 431, as amended by Law No. 856, was duly published in the Recipient’s Official Gazette on May 27, 2014.

6. "Coordinating Authority" means the entity or entities designated by the Recipient in the IRM Operations Manual and approved by the Association pursuant to
Section I.D.1(a) of Schedule 2 to the Original Financing Agreement, to be responsible for coordinating Part 4 of the Project.

7. “Core Road Network” means the network comprised by the National Trunk Road Network and the Recipient’s vías colectoras (collector roads), as referred to in Article 7 of the Recipient’s Law No. 706 of October 8, 2009, duly published in the Official Gazette No. 243 on December 23, 2009.

8. “Eligible Emergency” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.

9. “Emergency Expenditure” means any of the Eligible Expenditures set forth in the IRM Operations Manual in accordance with the provisions of Section I.D.1 (a) of Schedule 2 to the Original Financing Agreements and required for the activities included in Part 4 of the Project.

10. “ESMF” means the Recipient’s framework for the environmental and social management of the Project, dated December 22, 2016, acceptable to the Association, and disclosed by the Recipient on December 27, 2016, and through the Association’s website on December 29, 2016, which contains, inter alia, the guidelines for the carrying out of environmental assessments and for the preparation and implementation of environmental management plans, when applicable, as such framework may be amended from time to time with the prior agreement of the Association.

11. “ESMPs for Improvement Works” means any of the following Recipient’s environmental/social management plans, acceptable to the Association, for the carrying out of improvement works under Parts 1.1 and 1.2 of the Project, and included in the Operational Manual, all of which address the environmental, social, natural habitats and cultural property safeguard requirements, including the actions/provisions to be undertaken for the prevention, mitigation and remediation of any potential environmental damage arising from the implementation of civil works under said Parts of the Project (including measures designed to prevent gender-based violence and sexual exploitation and abuse, and to handle those events and report them to the relevant authorities and to the Association should they occur), together with appropriate grievance redress mechanisms, adequate budget, institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with, its terms, as said plan may be modified from time to time with the prior written no objection of the Association, and such terms include any annexes and schedules to such plan; as each said plan may be amended from time to time with the prior no-objection from the Association:
La Garita-Tipitapa ESMP, covering the complete road section, dated December 14, 2016, published by the Recipient on December 23, 2016, and on the Association’s website on December 28, 2016;

Ciudad Sandino-Mateare ESMP, covering the complete road section, dated December 14, 2016, published by the Recipient on December 23, 2016, and on the Association’s website on December 28, 2016;

Granada-Malacatoya ESMP 1, covering the complete road section, dated February 1, 2013, published by the Recipient on February 7, 2013, and on the Association’s website on April 25, 2013 (“Granada-Malacatoya ESMP 1”);

Granada-Malacatoya ESMP 2, covering the road section Los Cocos-El Guayabo, dated December 13, 2016, published by the Recipient on December 23, 2016, and on the Association’s website on December 28, 2016;


Corn Island ESMP, covering the road section Queen Hills-Morgan Point, dated December 13, 2016, published by the Recipient on December 23, 2016, and on the Association’s website on December 28, 2016;

Macuelizo-Santa María ESMP 1, covering the road section Macuelizo-Ococona, dated January 22, 2017, published by the Recipient and on the Association’s website on January 23, 2017;

Macuelizo-Santa María ESMP 2, covering the portion Ococona-Santa María, dated December 15, 2017, published by the Recipient on January 12, 2018, and on the Association’s website on January 17, 2017;

Cárdenas-Colón ESMP 1, covering the road section Cárdenas-Comunidad Las Cañas, dated December 13, 2016, published by the Recipient on December 23, 2016, and on the Association’s website on December 28, 2016;

Cárdenas-Colón ESMP 2, covering the road section Comunidad Las Cañas-Colón, dated December 15, 2017, published by the Recipient on January 12, 2018, and on the Association’s website on January 17, 2017; and
12. “ESMP for Maintenance Works” means the Recipient’s environmental/social management plan, dated December 20, 2016, published by the Recipient on December 23, 2016, and on the Association’s website on December 28, 2016, acceptable to the Association, for the carrying out of maintenance works in the San Lorenzo-Múhan road section, under Part 1.3 of the Project.

13. “FOMAV” means the Fondo de Mantenimiento Vial, the fund established by the Recipient for purposes of financing the maintenance of the Recipient’s national and municipal roads pursuant to the FOMAV Legislation, or any successor thereto acceptable to the Association.

14. “FOMAV Legislation” means Ley Creadora del Fondo de Mantenimiento Vial, the Recipient’s Law No. 355 that created FOMAV, duly published in Official Gazette No. 157 on August 21, 2000, as said law has been amended to the date of this Agreement.


16. “IPP” means the Recipient’s Indigenous Peoples Plan, dated December 21, 2016, acceptable to the Association, for the activities to be carried under Part 1.2 of the Project in Corn Island, published by the Recipient on December 23, 2016, and disclosed on the Association’s website on December 28, 2016.

17. “IPPF” means the Recipient’s Indigenous Peoples Planning Framework for the Project, dated December 15, 2016, acceptable to the Association, and published by the Recipient on December 23, 2016, and disclosed on the Association’s website on December 28, 2016, which contains, inter alia, guidelines for the preparation and implementation of indigenous peoples plans, when applicable, as may be amended from time to time with the prior agreement of the Association.


19. “MCA” means Módulos Comunitarios de Adoquinado, any of the Recipient’s community modules for cobblestones, composed of members of the local communities adjacent to any of the works under Part 1.2 of the Project, selected by the Recipient and approved by the Association for purposes of assisting the Recipient in the carrying out of the works under Part 1.2 of the Project.
20. "MTT" means Ministerio de Transporte e Infraestructura, the Recipient’s Ministry of Transport and Infrastructure, or any successor thereto acceptable to the Association.


22. “Operational Manual” means the manual, dated December 19, 2017, acceptable to the Association, referred to in Section I.C.1 of Schedule 2 of this Agreement, as may be updated from time to time with the prior written agreement of the Association, and such term includes any annexes and schedules to such manual.


24. “Original Project” means the Project described in Schedule 1 to the Original Financing Agreement.


26. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated January 26, 2018 and provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the Association.

27. “Procurement Regulations” means, for purposes of paragraph 87 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IFB Borrowers”, dated July 2016.

28. “RAPs” means any of the following Recipient’s resettlement actions plans, acceptable to the Association for the carrying out of works under Part 1.2 of the Project; as each said plan may be amended from time to time with the prior no-objection from the Association:

(i) Granada-Malacatoya RAP, covering the road section El Guayabo-INTECOLA, dated December 15, 2017, published by the Recipient on January 19, 2018, and on the Association’s website on January 19, 2018; and

29. "Resettlement" means the impact of an involuntary taking of land under the Project, which taking causes affected persons to have their: (i) standard of living adversely affected; or (ii) right, title or interest in any house, land (including premises, agricultural and grazing land) or any other fixed or movable asset acquired or possessed, temporarily or permanently; or (iii) access to productive assets adversely affected, temporarily or permanently; or (iv) business, occupation, work or place of residence or habitat adversely affected, temporarily or permanently.

30. "RPF" means the Recipient's resettlement policy framework for the Project, dated December 19, 2016, acceptable to the Association, and published by the Recipient on December 23, 2016, and disclosed on the Association's website on December 28, 2016, which contains, inter alia, guidelines for the preparation and implementation of resettlement action plans, when applicable, as may be amended from time to time with the prior agreement of the Association.

31. "Selected Rural Roads" means the following road sections, the length of which is approximately 87.3 kilometers in the aggregate: Granada-Malacatoya, Corn Island, Macuelizo-Santa María, Cárdenas-Colón, and La Libertad-San Pedro de Lóvago, which have been selected in accordance with criteria acceptable to the Association under Part 1.2 of the Project, and other road sections to be selected in accordance with criteria acceptable to the Association under Part 1.3 (b) of the Project, all to be listed in the Operational Manual.

32. "Signature Date" means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to "the date of the Financing Agreement" in the General Conditions.

33. "Subsidiary Agreement" means the agreement between the Recipient and FOMAV, dated April 27, 2017, acceptable to the Association and referred to in Section I.B.1 of Schedule 2 to this Agreement, as the same may be amended from time to time with the prior agreement of the Association.

34. "UCR-BM" means Unidad Coordinadora de Recursos del Banco Mundial, the unit within MTI referred to in Section I.A.1 of Schedule 2 to this Agreement, or any successor thereto acceptable to the Association.