Loan Agreement
(Transport Corridors Project)

between

REPUBLIC OF IRAQ

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated March 02, 2014
AGREEMENT dated **March 02**, 2014, between REPUBLIC OF IRAQ ("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) constitute an integral part of this Agreement.

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

ARTICLE II — LOAN

2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of three hundred fifty-five million Dollars (USD 355,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.07 of this Agreement ("Loan"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").

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

2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount.

2.04. The interest payable by the Borrower for each Interest Period shall be at a rate equal to the Reference Rate for the Loan Currency plus the Variable Spread; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02(e) of the General Conditions.

2.05. The Payment Dates are March 1 and September 1 in each year.
2.06. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.

2.07. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency; (ii) a change of the interest rate basis applicable to: (A) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa; or (B) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread, or vice versa; or (C) all of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread; and (iii) the setting of limits on the Variable Rate or the Reference Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate or the Reference Rate.

(b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a "Conversion", as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.

ARTICLE III — PROJECT

3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall carry out Parts A.1, A.2, A.3, A.4, A.5, B.1, B.3, B.4 and C.1 of the Project through State Commission for Roads and Bridges (SCRB) and Parts A.6, A.7, B.2 and C.2 through the General Directorate for Roads and Bridges (GDRB), all in accordance with the provisions of Article V of the General Conditions.

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

ARTICLE IV — EFFECTIVENESS; TERMINATION

4.01. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Borrower’s Representative is the Minister of Finance.

5.02. The Borrower’s Address is:

   Ministry of Finance
   Hay Alaloom
   Bab Al Mu’dham
   Baghdad, Iraq

5.03. The Bank’s Address is:

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

   Cable address: INTBAFRAD
   Telex: 248423(MCI) or 64145(MCI)
   Facsimile: 1-202-477-6391
AGREED at Baghdad, Ministry of Finance, as of the day and year first above written.

REPUBLIC OF IRAQ

By

Authorized Representative
Name: Dr. Sala al-Deen Al-Safi
Title: Acting Finance Minister

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

By

Authorized Representative
Name: Ferid Bedhaj
Title: Country Director
SCHEDULE 1

Project Description

The objective of the Project is to improve road transport connectivity and safety on selected road sections along Expressway 1 and the North-South Transport Corridor in Iraq.

The Project consists of the following parts:

Part A: Transport Corridors Improvements

1. Rehabilitation, maintenance and road safety improvement of select sections of Expressway 1 road network namely: about 145 km of section R7 (Nasiria - Rumaila), about 31 km of section R8A (Basra Junction - Basra) and about 81 km of section R8B (Rumaila - Safwan).

2. Design and construction of service lay-bys along sections R6, R7 and R8 of Expressway 1, including designing and construction of access roads and facilities to facilitate movement of people with limited mobility on these sections.

3. Design and construction on a pilot basis of a fibre optic cable network along section R8B (Rumaila - Safwan) of Expressway 1.

4. Carrying out supervision of civil works, and environmental and social management associated with the civil works, under parts A.1 and A.2 of the Project.

5. Carrying out supervision of civil works, and environmental and social management associated with the civil works, under part A.3 of the Project.

6. Carrying out a program to upgrade, rehabilitate and improve select section of North-South Transport Corridor consisting of civil works of about 23 km of road between Girsheen and Suheila intersection.

7. Carrying out supervision of civil works, and environmental and social management associated with the civil works, under part A.6 of the Project.

Part B: Institutional Strengthening and Capacity Building in the Road Sector

Carrying out a program of technical assistance to strengthen the capacity of Borrower’s institutions and other stakeholders to plan and manage road assets effectively such a program to consist of the following activities.

1. Support organizational and capacity improvement at MOCH and SCRIB through:
(a) Developing an effective road sector organizational structure with clear responsibilities at all levels, including sector level coordination and regulation.

(b) Provision of technical advisory services to enhance road sector governance including, supporting publication and better dissemination of information on planned, as well as completed activities to stakeholders and road users.

(c) Awareness raising on routine maintenance and improving capacity.

(d) Development of information and communications systems designed to enhance the effectiveness and efficiency of road management including, communication and surveillance systems for traffic safety monitoring, enforcement of axle-load limit enforcement and citizens’ roadway reporting system for public outreach and communications to and from road users and adjacent communities on road conditions and issues.

(e) Provision of on-the-job training to strengthen capacity of SCRB in strategic planning, programming, maintenance monitoring and supervision.

(f) Strengthening capacity in procurement, financial and contract management.

(g) Provision of technical advisory service to support the analysis and development of relevant regulations and standards that apply to all phases of the road life cycle.

(h) Provision of Training to managerial and technical staff of SCRB.

(i) Provision of technical assistance for highways and roads sector-related studies.

2. Support organizational and capacity improvement at GDRB through:

(a) Developing an effective road sector organizational structure with clear responsibilities at all levels, including sector level coordination and regulation.

(b) Provision of technical advisory services to enhance road sector governance including, supporting publication and better dissemination of information on planned, as well as completed activities to stakeholders and road users.

(c) Awareness raising on routine maintenance and improving capacity.
(d) Development of information and communications systems designed to enhance the effectiveness and efficiency of road management including, communication and surveillance systems for traffic safety monitoring, enforcement of axle-load limit enforcement and citizens’ roadway reporting system for public outreach and communications to and from road users and adjacent communities on road conditions and issues.

(e) Provision of on-the-job training to strengthen capacity of GDRB in strategic planning, programming, maintenance monitoring and supervision.

(f) Strengthening capacity in procurement, financial and contract management.

(g) Provision of technical advisory service to support the analysis and development of relevant regulations and standards that apply to all phases of the road life cycle.

(h) Provision of Training to managerial and technical staff of GDRB.

3. Carrying out a program of organizational improvement of state-owned and MOCH controlled construction companies.

4. Provision of Training to local contractors and consultants to enhance their capacity in overall project management and thereby improve the quality of their bid submission and delivery of high quality products (including studies, designs, structures, roads) on time.

Part C: Project Management and Monitoring

1. Carrying out Project management and support activities necessary for effective implementation of the Project by SCRB, including the provision of technical assistance and Training.

2. Carrying out Project management and support activities necessary for effective implementation of the Project by GDRB, including the provision of technical assistance and Training.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. Project Coordination Unit. The Borrower shall maintain, throughout Project implementation, a project coordination unit with staffing, terms of reference and resources satisfactory to the Bank to be responsible for *inter alia* overall coordination of the Project and for facilitation of Project implementation.

2. SCRB-PMT and GDRB-PMT

   (a) The Borrower shall ensure, or shall cause SCRB and GDRB, respectively, to ensure, that the SCRB-PMT and the GDRB-PMT are maintained with functions, staffing and resources satisfactory to the Bank. SCRB-PMT shall be headed by a SCRB-PMT Leader and the GDRB-PMT shall be headed by a GDRB-PMT Leader. These leaders shall have qualifications and experience, and be appointed on terms and conditions, satisfactory to the Bank.

   (b) Without limitation on paragraph (a) above, the Borrower shall ensure, or shall cause SCRB and GDRB, respectively to ensure, that the SCRB-PMT and the GDRB-PMT are staffed with an adequate number of professionals, including specialists in procurement, engineering, financial management, monitoring and reporting, and environmental and social safeguards.

B. Counterpart Funds

1. To facilitate the carrying out by SCRB of A.1, A.2, A.3, A.4, A.5, B.1, B.3, B.4 and C.1 of the Project, the Borrower shall make the proceeds of the Loan available to SCRB under terms and conditions approved by the Bank.

2. To facilitate the carrying out by GDRB of Parts A.6, A.7, B.2 and C.2 of the Project, the Borrower shall:

   (a) make part of the proceeds of the Loan available to GDRB under terms and conditions approved by the Bank.

   (b) cause KRG to provide in timely fashion Counterpart Funds in the amount satisfactory to the Bank.
C. Project Operations Manual

The Borrower shall ensure - and shall cause each SCR and GDRB to ensure - that the Project is carried out in accordance with the arrangements and procedures set out in the Project Operations Manual (provided, however, that in case of any conflict between the arrangements and procedures set out in the Project Operations Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail), and shall not amend, abrogate or waive, or permit to be amended, abrogated or waived, the Project Operations Manual or any of its provisions without prior approval in writing by the Bank.

D. Anti-Corruption

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

E. Safeguards

1. The Borrower shall carry out the Project in accordance with ESIA, RAP, ESIAF and RPF in a manner satisfactory to the Bank.

2. If an ESMP and/or SRAP would be required for any proposed Project activities on the basis of the ESIAF and the RPF, the Borrower shall: (a) proceed to have said instrument prepared, furnished to the Bank for review and approval, and thereafter adopted and disclosed prior to the implementation of such activities; (b) take all such measures as shall be necessary or appropriate to comply with the requirements of said instrument; and (c) not amend, abrogate or waive, or permit to be amended, abrogated or waived, said instrument or any provision thereof without prior approval in writing by the Bank, subject to the same approval requirements as applicable to the adoption of the said instrument.

3. Without limitation upon its other reporting obligations under this Agreement, the Borrower shall regularly collect, compile and submit to the Borrower and the Bank, on a quarterly basis, reports on the status of compliance with each of the ESIAF, RPF, ESIA, RAP, the ESMPs, Environmental and Social Audits and the SRAPs, and giving details of:

   (a) measures taken in furtherance of such instruments;

   (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such instruments; and

   (c) remedial measures taken or required to be taken to address such conditions.
4. The Borrower shall promptly implement the measures set forth in the Environmental and Social Audits as agreed upon with the Bank.

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

1. The Borrower shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of indicators acceptable to the Bank. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Bank 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 Borrower shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.

2. Without limitation on the provisions of Part A of this Section, the Borrower shall cause SCRB and GDRB to prepare and furnish to the Bank not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Bank.

3. The Borrower shall cause SCRB and GDRB to maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect the operations and financial condition of SCRB and GDRB, respectively, including the operations, resources and expenditures related to their respective part of the Project.

4. The Borrower shall cause SCRB and GDRB to have their respective financial statements referred to above audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank. Each audit of these financial statements shall cover the period of one fiscal year of SCRB and GDRB, respectively, or any other period agreed upon with the Bank. The audited financial statements for each such period shall be furnished to the Bank not later than six (6) months after the end of the period.

5. The Borrower shall cause SCRB and GDRB to recruit, not later than six (6) months after the Effective Date, the independent auditors referred to in Section 5.09(b) of the General Conditions, in accordance with Section III of Schedule 2 of this Agreement and pursuant to terms of reference satisfactory to
the Bank to be responsible for inter alia performing financial and technical audits of the Project.

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 Loan shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Loan 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 Bank 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 using the standard bidding documents included in the Master Implementation Manual acceptable to the Bank; (b) Shopping; and (c) Direct Contracting.

C. **Particular Methods of Procurement of Consultants' Services**

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.
2. **Other Methods of Procurement of Consultants’ Services.** The following 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) Single-source procedures for the Selection of Individual Consultants; (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) Selection under a Fixed Budget.

D. **Review by the Bank of Procurement Decisions**

The Procurement Plan shall set forth those contracts which shall be subject to the Bank’s Prior Review. All other contracts shall be subject to Post Review by the Bank.

**Section IV. Withdrawal of Loan Proceeds**

A. **General**

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Bank shall specify by notice to the Borrower (including the “World Bank Disbursement Guidelines for Projects”, dated May 2006, as revised from time to time by the Bank 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 Loan (“Category”), the allocation of the amounts of the Loan 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 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, Training, Operating Costs, non-consulting services, and consultants’ services for Parts A.1, A.2, A.3, A.4, A.5, B.1, B.3, B.4 and C.1 of the Project</td>
<td>293,772,500</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Works for Part A.6 of the Project</td>
<td>58,500,000</td>
<td>69%</td>
</tr>
<tr>
<td>(3) Goods, Training, Operating Costs, non-consulting services, and consultants’ services for Parts A.7, B.2 and C.2 of the Project</td>
<td>1,840,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Front-end Fee</td>
<td>887,500</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>355,000,000</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 prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed USD 70,000,000 equivalent may be made for payments for Eligible Expenditures made not more than twelve (12) months prior to the date of this Agreement.

2. The Closing Date is December 31, 2019.
SCHEDULE 3
Amortization Schedule

1. 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"). If the proceeds of the Loan have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying: (a) Withdrawn Loan Balance as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayable amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

<table>
<thead>
<tr>
<th>Principal Payment Date</th>
<th>Installment Share (Expressed as a Percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 1, 2019</td>
<td>4.32%</td>
</tr>
<tr>
<td>September 1, 2019</td>
<td>4.38%</td>
</tr>
<tr>
<td>March 1, 2020</td>
<td>4.45%</td>
</tr>
<tr>
<td>September 1, 2020</td>
<td>4.52%</td>
</tr>
<tr>
<td>March 1, 2021</td>
<td>4.59%</td>
</tr>
<tr>
<td>September 1, 2021</td>
<td>4.65%</td>
</tr>
<tr>
<td>March 1, 2022</td>
<td>4.72%</td>
</tr>
<tr>
<td>September 1, 2022</td>
<td>4.79%</td>
</tr>
<tr>
<td>March 1, 2023</td>
<td>4.87%</td>
</tr>
<tr>
<td>September 1, 2023</td>
<td>4.94%</td>
</tr>
<tr>
<td>March 1, 2024</td>
<td>5.01%</td>
</tr>
<tr>
<td>September 1, 2024</td>
<td>5.09%</td>
</tr>
<tr>
<td>March 1, 2025</td>
<td>5.16%</td>
</tr>
<tr>
<td>September 1, 2025</td>
<td>5.24%</td>
</tr>
<tr>
<td>March 1, 2026</td>
<td>5.32%</td>
</tr>
<tr>
<td>September 1, 2026</td>
<td>5.40%</td>
</tr>
<tr>
<td>March 1, 2027</td>
<td>5.48%</td>
</tr>
<tr>
<td>September 1, 2027</td>
<td>5.56%</td>
</tr>
<tr>
<td>March 1, 2028</td>
<td>5.65%</td>
</tr>
<tr>
<td>September 1, 2028</td>
<td>5.86%</td>
</tr>
</tbody>
</table>

2. If the proceeds of the Loan have not been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:
(a) To the extent that any proceeds of the Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.

(b) Any amount withdrawn after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date ("Original Installment Share") and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such amounts repayable to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

3. (a) Amounts of the Loan withdrawn within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.

(b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.

4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the Withdrawn Loan Balance to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (i) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.

5. If the Withdrawn Loan Balance is denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.
APPENDIX

Section I. Definitions

1. "Affected Persons" means any person who, on account of the execution of the Project, has experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such person must move to another location; or (b) the involuntary restriction or access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person.


4. "Counterpart Funds" means an amount equivalent to USD 30 million to be made available by KRG for purpose of cofinancing parts of the Project.

5. "Environmental and Social Audits" means the audits whose reports are dated October 25, 2013, and November 14, 2013, carried out to determine the nature and extent of all environmental and social areas of concern in relation to civil works under Transport Corridor Program already completed or under construction and identify appropriate measures to mitigate the areas of concern, estimate the cost of the measures, and set forth schedules or plans for implementing them.

6. "ESIA" or “Environmental and Social Impact Assessment” mean the study, acceptable to the Bank, prepared and disclosed to public by the Borrower, dated August 19, 2013, and consisting of inter alia: (i) a description of the site where Project activities are to be carried out under Parts A.1, A.2 and A.3 of the Project and the justification of said activities, including alternatives considered during the Project design phase, (ii) the potential and actual adverse environmental and social impacts of the activities referred to under sub-paragraph (i) above; and (iii) an environmental and social management plan setting forth measures to be taken during the implementation and operation of the Project to mitigate, eliminate or otherwise offset adverse environmental and social impacts, or to reduce them to acceptable levels and to ensure compliance of the project activities with such measures.
7. “ESIAF” and “Environmental and Social Impact Assessment Framework” mean an environmental and social impact assessment framework dated August 18, 2013, adopted by the Borrower, describing the rules, guidelines and procedures to assess environmental and social impacts of Project activities under Part A.6 of the Project and defining measures to reduce, mitigate or offset adverse environmental and social impacts and enhance positive impacts of said Project activities, referred to in Section I.E.1 of Schedule 2 to this Agreement, and the same as may be amended from time to time with the prior approval of the Bank.

8. “Environmental and Social Management Plan” and the acronym “ESMP” mean, for a given Project activity, a site specific environmental and social management plan prepared by the Recipient in accordance with the ESIAF pursuant to Section I.E.2 of Schedule 2 to this Agreement; and the term “ESMPs” means, collectively, all such plans.


11. “GDRB-PMT” means GDRB’s project management team to be maintained pursuant to Section I.A.2 of Schedule 2 to this Agreement.

12. “General Directorate for Roads and Bridges” and the acronym “GDRB” mean the directorate within the KRG’s ministry responsible for construction and housing, or any successor thereto.

13. “KRG” means the Kurdistan Regional Government of the Borrower, or any successor thereto.


15. “MOCH” means the Borrower’s ministry of construction and housing, and any successor thereto.

16. “North-South Transport Corridor” means the road highway linking Semel and Ibrahim Khalil in the Borrower’s territory.

18. “Procurement Plan” means the Borrower’s procurement plan for the Project, dated November 5, 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.

19. “Project Operations Manual” means the manual dated November 2, 2013, and referred to in Section I.C of Schedule 2 to this Agreement as the same may be amended from time to time with the prior written agreement of the Bank.

20. “Specific Resettlement Action Plan” and the acronym “SRAP” mean the Borrower’s site specific abbreviated resettlement action plan or site specific resettlement action plan to be adopted by the Borrower which sets out the principles and procedures governing land acquisition, resettlement, compensation and rehabilitation of Affected Persons, as well as administrative, reporting and monitoring arrangements to ensure compliance with said plan, as such plan may be revised from time to time with the agreement of the Bank; and the term “SRAPs” means, collectively, all such plans.

21. “Resettlement Action Plan” and the acronym “RAP” mean the Borrower’s Resettlement Action Plan dated November 11, 2013, and referred to in Section I.E. of Schedule 2 to this Agreement which sets out the principles and procedures governing land acquisition, resettlement, compensation and rehabilitation of Affected Persons, as well as administrative, reporting and monitoring arrangements to ensure compliance with said plan, as such plan may be revised from time to time with the agreement of the Bank.

22. “Resettlement Policy Framework” and the acronym “RPF” mean the Borrower’s policy framework document, acceptable to the Bank, dated August 19, 2013, providing procedures and guidelines for the preparation, adoption, implementation and monitoring of Specific Resettlement Action Plans and referred to in Section I.E. of Schedule 2 to this Agreement, as said framework may be amended from time to time with the prior written approval of the Bank.

23. “State Commission for Roads and Bridges” and the acronym “SCRB” mean the commission within the Ministry of Construction and Housing, or any successor thereto.

24. “SCRB-PMT” means SCRB’s Project Management Team to be maintained pursuant to Section I.A.2 of Schedule 2 to this Agreement.

25. “Transport Corridor Program” means Borrower’s program involving financing of design, construction, rehabilitation, maintenance and road safety improvement of select sections of Expressway 1 and the North-South Transport Corridor.