Financing Agreement

(Tina River Hydropower Development Project)

between

SOLOMON ISLANDS

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated December 6, 2018
FINANCING AGREEMENT

AGREEMENT dated December 6, 2018, entered into between SOLOMON ISLANDS (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”).

WHEREAS (A) The cost of the project referred to as the “Project” in Section 2.01 below and in this Preamble is estimated at $241,880,000. Such cost is expected to be financed by the Recipient using its own as well as other resources from:

(b) Korea Water Resources Corporation and Hyundai Engineering Company Limited (collectively, the “Sponsors”).

(B) For the purpose of paragraph (A) above, the Recipient has requested the following financing:

(i) from ADB, an amount of $30,000,000 to be provided in the form of a $18,000,000 loan and a $12,000,000 grant for the financing of Part 1 of the Project (the “ADB Co-financing”);

(ii) from ADFD, a $15,000,000 loan for the financing of Part 1 of the Project (the “ADFD Co-financing”);

(iii) from APIP, a $12,700,000 grant including an amount of $10,000,000 for the financing of Part 2 of the Project and an amount of $2,700,000 for the financing of Part 4 of the Project (the “APIP Co-financing”);

(iv) from EDCF, a $31,600,000 loan for the financing of Part 1 of the Project (the “EDCF Co-financing”);

(v) from GCF, an amount of $86,000,000 to be provided in the form of a $70,000,000 loan for the financing of Part 1 of the Project and a $16,000,000 grant for the financing of Part 2 of the Project (the “GCF Co-financing”); and

(vi) from the Association, an amount equivalent to $33,630,000, comprising $23,375,000 in the form of a credit and SDR7,480,000 in the form of a grant, of which an amount equivalent to $21,304,000 out of the credit and...
SDR 5,360,000 out of the grant will be allocated to the financing of Part 1 of the Project, $ 2,071,000 out of the credit will be allocated to the financing of Part 3 of the Project and SDR 2,120,000 out of the grant will be allocated to the financing of Part 4 of the Project.

(C) An amount equivalent to $22,150,000 is expected to be provided as counterpart funds, including an amount equivalent to $20,750,000 by Solomon Islands Electricity Authority (“SIEA”) or on its behalf for the financing of Part 3 of the Project and an amount equivalent to $1,400,000 by the Recipient for the financing of Part 4 of the Project.

(D) Out of the aggregate amount of financing to be provided to the Recipient for the Project and referred to in Paragraph (B) above, a portion is expected to be passed on by the Recipient to other entities, as follows:

(i) an amount not exceeding the equivalent of $175,259,000 funded by the ADB, EDCF, GCF, ADFD and the Association, comprising $155,904,000 in loans and credit and $19,355,000 in grants, are expected to be on-lent and on-granted, respectively, by the Recipient to a new project company established between the Sponsors for the purpose of implementing Part 1 (Tina River Hydropower Facility) of the Project (the “Project Company”);

(ii) an amount of $26,000,000 funded by APIP and GCF is expected to be on-granted by the Recipient to the Project Company for the financing of Part 2 (Access Roads) of the Project; and

(iii) an amount of $2,071,000 funded by the Association is expected to be on-lent by the Recipient to SIEA for the financing of Part 3 (Transmission Line) of the Project; and

(iv) an amount of $5,600,000 equivalent funded by the Association and APIP is expected to be used by the Recipient for the financing of Part 4 (Technical Assistance) of the Project.

(E) The Sponsors have indicated their intention to provide an aggregate amount equivalent to $10,800,000 as equity to be contributed to the Project Company for the financing of Part 1 (Tina River Hydropower Facility), including an amount equivalent to $8,640,000 to be contributed by Korea Water Resources Corporation and an amount equivalent to $2,160,000 to be contributed by Hyundai Engineering Company Limited.
NOW, THEREFORE, the Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

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

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

ARTICLE II — FINANCING

2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant and a credit (collectively, "Financing") in the following amounts to assist in financing the project described in Schedule I to this Agreement ("Project"): (a) an amount equivalent to seven million four hundred and eighty thousand Special Drawing Rights (SDR 7,480,000) ("Grant"); and (b) the amount of twenty-three million three hundred and seventy-five thousand Dollars ($23,375,000) ("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 the greater of: (a) the sum of three-fourths of one percent (3/4 of 1%) per annum plus the Basis Adjustment to the Service Charge; and (b) three-fourths of one percent (3/4 of 1%) per annum.

2.05. The Payment Dates are February 15 and August 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 the Dollar.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall:

(a) carry out Part 4 of the Project, through its Ministry responsible for energy;
(b) cause Part 1 and Part 2 of the Project to be carried out by the Project Company; and
(c) cause Part 3 of the Project to be carried out by SIEA (the Project Company and SIEA being collectively referred to as the “Project Implementing Entities” and individually as a “Project Implementing Entity”),

all in accordance with the provisions of Article IV of the General Conditions and the Project Implementing Entities’ respective 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:

(a) The Electricity Legislation or any of the Project Consents, has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Recipient to perform its obligations under this Agreement or the ability of either of the Project Implementing Entities to perform any of their obligations under the relevant Project Agreement.
Any of the parties to any of the Project Documents has breached any of its obligations under any Project Document to which it is a party and, if a contractual cure period had been provided in the relevant Project Document for such breach, such breach remains uncured after the expiration of the cure period, which affects materially and adversely the ability of the Recipient to perform its obligations under this Agreement or the ability of either of the Project Implementing Entities to perform any of its obligations under the relevant Project Agreement.

4.02. The Co-financing Deadline for the effectiveness of the relevant Co-financing Agreements is:

(a) with respect to the APIP Co-financing: March 15, 2019; and

(b) with respect to the ADFD Co-financing, the ADB Co-financing, the EDCF Co-financing; and the GCF Co-financing: the PPA Closing Date.

4.03. The Additional Event of Acceleration consists of the following, namely, that either event specified in 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 Legal Matters consist of the following:

(a) The Project Company: (i) has been duly established and is registered under the laws of the Recipient and authorized to carry out its activities and comply with its obligations under the Project Documents to which it is or will be a party and the PC Project Agreement; and (ii) has received all Project Consents required at that time under the laws and regulations applicable on the Recipient’s territory for the carrying out of its activities in accordance with the PC Constitutive Documents, the Project Documents and the PC Project Agreement.
(b) each of the Implementation Agreement, the Power Purchase Agreement and the Government Guarantee Agreement:

(i) has been duly authorized by the parties thereto and each formality or procedure required under applicable law for its validity has been completed in accordance with the law; and

(ii) is legally binding upon each of its respective parties and is enforceable in the territory of its respective parties in accordance with its terms.

5.02. The Effectiveness Deadline is December 20, 2018.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient’s Representative is its Minister responsible for finance (at the time of this Agreement, its Minister of Finance and Treasury).

6.02. The Recipient’s Address is:

   Ministry of Finance and Treasury
   P.O. Box 26
   Honiara
   Solomon Islands

   Facsimile:
   +677 - 27855

6.03. The Association’s Address is:

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

   Telex: 248423 (MCI)
   Facsimile: 1-202-477-6391
AGREED at Honiara, Solomon Islands, as of the day and year first above written.

SOLOMON ISLANDS

By

Authorized Representative

Name: Manasseh D. Sogavare
Title: Deputy Prime Minister and Minister of Finance and Treasury

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: Guido Rurangwa
Title: Acting Country Director
SCHEDULE 1

Project Description

The objective of the Project is to increase the share of renewable energy through hydropower in Solomon Islands.

The Project consists of the following parts:

Part 1: Tina River Hydropower Facility

Development, financing, construction and operation of a hydropower generation plant with a capacity of 15 MW (with possibility for an additional 5 MW unit) on the Tina River, southeast of Honiara, including:

(a) a roller-compacted-concrete dam located on the river;
(b) a waterway including a headrace tunnel, surge shaft and steel penstock; and
(c) a powerhouse, with three 5MW turbines and an extra bay which could permit the future installation of an additional 5MW turbine.

Part 2: Access Roads

Design and construction of access roads to facilitate construction and operations of the hydropower facility described under Part 1, as follows:

(a) upgrade of the existing road from Black Post Junction to Managikiki Village (Lot 1); and
(b) construction of a greenfield road from Managikiki Village to the dam and powerhouse sites (Lot 2).

Part 3: Transmission lines

Construction of 66 kV transmission lines from the hydropower facility described under Part 1 to the Honiara grid at one of the existing power stations, and upgrade of such station.

Part 4: Technical Assistance

Provision of technical assistance to:

(a) coordinate and monitor day-to-day Project implementation (including awareness building and training, supervision of construction works,
coordination with other government's counterparts and stakeholders and reporting); and

(b) (i) monitor and support the implementation of the social and environmental safeguard arrangements and the Gender Action Plan, (ii) maintain the Dam Safety Advisory Panel and an independent social and environmental monitoring agent, and (iii) provide support: (A) to the entities participating in the implementation arrangement agreed under the Project related land acquisition process, (B) to the communities in utilizing their share of Project benefits for community development, and (C) to the tribes (which would be interested in and committed to the establishment of a protected area in the upper catchment) for the preparation of a protected area management plan and budget.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. Project Steering Committee

(a) No later than one (1) month after the Effective Date, the Recipient shall establish, and thereafter maintain throughout the implementation of the Project, a steering committee (the "Project Steering Committee") with composition and terms of reference satisfactory to the Association.

(b) Without limitation to the generality of the foregoing provisions of paragraph (a) immediately above, the Project Steering Committee shall:

(i) include representatives of the various Project stakeholders, including representatives of the Recipient’s ministries and entities involved in the Project; and

(ii) ensure the overall guidance for effective Project implementation as well as cross-sectoral coordination of Project Parts and consistency of Project activities with sector policies and strategies.

2. Project Management Office

(a) Throughout the implementation of the Project, the Recipient shall maintain under MMERE the management office initially established for the preparation of the Project (the "Project Management Office"), with terms of reference, organization and resources acceptable to the Association.

(b) Without limitation to the generality of the provisions of paragraph (a) immediately above, the Project Management Office shall:

(i) be responsible for the day-to-day management of the Project, including coordination of the Project activities, financial and fiduciary management, procurement (except for the procurement related to Part 3 of the Project which will be SIEA’s responsibility), environmental and social impact mitigation, and preparation of interim financial reports, Project reports and financial statements in close collaboration with the Project Implementing Entities; and

(ii) from a date no later than three (3) months after the Effective Date, recruit and thereafter maintain the following staff throughout the implementation
of the Project, each with terms of reference, qualifications and experience satisfactory to the Association (and each such staff shall dedicate sufficient part of his or her time (in the view of the Association) to the Project): a manager, a national deputy manager with adequate expertise to oversee procurement contract management, a financial management specialist or accountant, a community liaison officer, two (2) safeguard specialists, including a gender focal point, and other personals in adequate numbers, as needed.

3. **Arrangement for the Implementation of Environmental and Social Matters**

   (a) The Recipient shall, no later than four (4) months after the Effective Date, recruit and thereafter maintain throughout the implementation of the Project an independent environmental and social monitoring agent, on the basis of terms of reference, qualifications and experience satisfactory to the Association.

   (b) The Recipient shall, no later than December 31, 2018, reactivate and thereafter maintain until the date which is one (1) year after the Project Commercial Operation Date, as such date is defined in the PPA, the dam safety advisory panel established for the Project (the "Dam Safety Advisory Panel"), with terms of reference, members (selected on the basis of their qualifications and experience) and resources, all satisfactory to the Association, for the purpose of, *inter alia*, providing guidance on and making recommendations to the Recipient and the Project Company for the safety of the dam and equipment to be built under Part 1 of the Project.

B. **Implementation Arrangement**

1. For the implementation of Parts 1 and 2 of the Project:

   (a) The Recipient shall:

      (i) (A) as part of the conditions to the PPA Closing Date, enter into an on-lending/on-granting agreement with the Project Company (the "PC Subsidiary Agreement") under terms and conditions satisfactory to the Association, for the purpose of, *inter alia*, making the proceeds of the Financing allocated from time to time to Category I of the Disbursement Table, as well as the proceeds of the Co-financings allocated to the financing of Parts 1 and 2 of the Project, available to the Project Company.

      (B) Without limitation to the generality of the immediately foregoing provisions, the PC Subsidiary Agreement shall include provisions pursuant to which:

         (AA) the Project Implementing Entity shall: (AAA) carry out the Project Implementing Entity’s Respective Part of the Project in
accordance with the provisions included or referred to in the Project Agreement; and (BBB) promptly refund to the Recipient for further refund to the Association any proceeds from the Financing not used for purposes of carrying out the Project Implementing Entity's Respective Part of the Project or for achieving the objective thereof, or otherwise utilized in a manner inconsistent with the provisions of the Project Agreement; and

(BB) notwithstanding the provisions of this Section I.B.1(a)(i)(B)(AA), in the event of a conflict between any provision of the PC Subsidiary Agreement and the provisions included or referred to in this Agreement or the Project Agreement, including such additional instructions as the Association shall have specified by notice to the Recipient pursuant to Section IV.A.1 of this Schedule, the provisions of this Agreement and the Project Agreement, including said additional instructions, shall govern in that order of priority.

(C) The Recipient shall exercise its rights under the PC 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 or waive the PC Subsidiary Agreement or any of its provisions.

(ii) provide to the Association, no later than two (2) weeks after the signature of the PC Subsidiary Agreement (or such other date which the Association has confirmed in writing to the Recipient is reasonable and acceptable under the circumstances, as determined by the Association in its sole discretion), one or several legal opinions satisfactory to the Association issued by legal counsel duly authorized to issue legal opinions on the laws of Solomon Islands and acceptable to the Association, showing that the PC Subsidiary Agreement: (A) has been duly authorized by the parties thereto and each formality or procedure required under applicable law for its validity has been completed in accordance with the law; and (B) is valid, legally binding upon the parties thereto and enforceable against each party in accordance with its terms; and

(iii) (A) comply with its obligations under each of the Project Documents to which it is a party and each of the Co-financing Agreements, (B) exercise its rights under each of the Project Documents to which it is a party and each of the Co-financing Agreements in such manner as to protect the interests of the Association and to accomplish the purposes of the Financing, and (C) except as the Association shall otherwise agree, refrain from assigning, amending, abrogating or waiving any provisions of the
each of the Project Documents to which it is a party and each of the Co-financing Agreements.

(b) The Recipient shall take all actions under its control to:

(i) (A) ensure that the PPA Closing Date is achieved within the Required Closing Date, as such term is defined in the PPA, and that each condition precedent to the PPA Closing Date, as described in Schedule 7 to the PPA, is satisfied in a manner acceptable to the Association; and (B) without limitation to the generality of the immediately foregoing provision, the Recipient shall ensure that each of the PC Subsidiary Agreement, the Lease Agreement and the EPC Contract strictly complies with the relevant provisions included or referred to in this Agreement, the PC Project Agreement, the SIEA Project Agreement, including the Safeguard Documents and the Anti-Corruption Guidelines.

(ii) provide, no later than two (2) weeks after the PPA Closing Date (or such other date which the Association has confirmed in writing to the Recipient is reasonable and acceptable under the circumstances, as determined by the Association in its sole discretion), one or several legal opinions satisfactory to the Association, issued by a legal counsel duly authorized to issue legal opinions on the laws of the Solomon Islands and on the laws applicable to the EPC Contractor, and acceptable to the Association, confirming that:

(A) the Land-Owning Company has been duly established and is registered under the laws of the Recipient and authorized to carry out its activities and comply with its obligations under the Lease Agreement;

(B) each of the PC Subsidiary Agreement, the Lease Agreement and the EPC Contract has been duly authorized by the parties thereto and each formality or procedure required under applicable law for its validity has been completed in accordance with the law; and

(C) each of the PC Subsidiary Agreement, the Lease Agreement and the EPC Contract is valid, legally binding upon the parties thereto and enforceable against each party in accordance with its terms;

(iii) cause the Land-Owning Company to: (A) comply with its obligations under the Lease Agreement, and (B) except as the Association shall otherwise agree, refrain from assigning, amending, abrogating or waiving any provisions of the Lease Agreement;
cause SIEA to: (A) comply with its obligations under the PPA, (B) exercise its rights under PPA in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing, and (C) except as the Association shall otherwise agree, refrain from assigning, amending, abrogating or waiving any provisions of the PPA:

(v) cause the Project Company to: (A) comply with its obligations under each of the Project Documents to which it is a party, and (B) except as the Association shall otherwise agree, refrain from assigning, amending, abrogating or waiving any provisions of any of the Project Documents;

(vi) ensure that the Project Company has a minimum capital equivalent to ten million eight hundred thousand Dollars ($10,800,000) and cause the Project Company to call the payment of such capital and use such capital payment to contribute to the financing of the Project in accordance with the Annual Work Plans and Budgets approved by the Association.

2. To facilitate the carrying out of Part 3 of the Project:

(a) (i) the Recipient shall, no later than June 1, 2020 (or such other date which the Association has confirmed in writing to the Recipient is reasonable and acceptable under the circumstances, as determined by the Association in its sole discretion), enter into an on-lending agreement with SIEA (the “SIEA Subsidiary Agreement”) under terms and conditions satisfactory to the Association, for the purpose of, inter alia, making the proceeds of the Financing allocated from time to time to Category 2 of the Disbursement Table available to SIEA;

(ii) without limitation to the generality of the immediately foregoing provisions, the SIEA Subsidiary Agreement shall include provisions pursuant to which:

(A) the Project Implementing Entity shall: (AA) carry out the Project Implementing Entity’s Respective Part of the Project in accordance with the provisions included or referred to in the Project Agreement; and (BB) promptly refund to the Recipient for further refund to the Association any proceeds from the Financing not used for purposes of carrying out the Project Implementing Entity’s Respective Part of the Project or for achieving the objective thereof, or otherwise utilized in a manner inconsistent with the provisions of the Project Agreement; and
(B) notwithstanding the provisions of this Section 1.B.2(a)(ii)(A), in the event of a conflict between any provision included or referred to in the SIEA Subsidiary Agreement and the provisions of this Agreement or the Project Agreement, including such additional instructions as the Association shall have specified by notice to the Recipient pursuant to Section IV.A.1 of this Schedule, the provisions of this Agreement and the Project Agreement, including said additional instructions, shall govern in that order of priority; and

(iii) the Recipient shall exercise its rights under the SIEA 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 or waive the SIEA Subsidiary Agreement or any of its provisions; and

(b) the Recipient shall provide to the Association, no later than two (2) weeks after the signature of the SIEA Subsidiary Agreement (or such other date which the Association has confirmed in writing to the Recipient is reasonable and acceptable under the circumstances, as determined by the Association in its sole discretion), one or several legal opinions satisfactory to the Association issued by legal counsel duly authorized to issue legal opinions on the laws of the Solomon Islands and acceptable to the Association, showing that the SIEA Subsidiary Agreement:

(i) has been duly authorized by the parties thereto and each formality or procedure required under applicable law for its validity has been completed in accordance with the law; and

(ii) is valid, legally binding upon the parties thereto and enforceable against each party in accordance with its terms.

3. Counterpart Funds

(a) Without limitation to the generality of Section 4.03 (Provision of Funds and other Resources) of the General Conditions, the Recipient shall provide, or cause to be provided, counterparts funds in an amount equivalent to not less than twenty-two million one hundred and fifty thousand Dollars ($22,150,000), comprising: (i) an amount of twenty million seven hundred and fifty thousand Dollars ($20,750,000) for the financing of expenditures under Parts 3 of the Project and one million four hundred thousand Dollars ($1,400,000) for the financing of expenditures under Part 4 of the Project.

C. Anti-Corruption

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

1. No later than two (2) months after the Effective Date and prior to incurring any expenditures for goods or works for the implementation of the Project unless otherwise expressly agreed by the Association in writing, the Recipient shall prepare (with inputs from the Project Implementing Entities, as needed), and shall adopt, and cause each of the Project Implementing Entities to adopt, the Project Operations Manual (which may be in the form of several manuals), in form and substance acceptable to the Association.

2. The Project Operations Manual shall set forth:

(a) (i) the detailed description of Project implementation activities, their sequencing and the prospective timetable and benchmarks in relation thereto; and (ii) the detailed institutional arrangements in respect thereto, including allocation of responsibilities, required staff and minimum qualifications thereof;

(b) the administrative, accounting, auditing, internal control, asset management, reporting, financial, procurement and disbursement (flow of funds), monitoring and evaluation procedures for the Project (including performance indicators); which procedures shall be consistent with those of this Agreement and the Association’s instructions thereunder, as well as the requirements of the Project Agreements;

(c) (i) a contract management plan for Parts 1 and 2 of the Project which complies with the requirements of the Procurement Regulations; (ii) the procedural steps for the update of the Procurement Plan; (iii) an outline of the mechanism for the settlement of procurement complaints; and (iv) the disclosure of critical procurement information (minimum information for disclosure, and media such as website or newspaper);

(d) the guidelines for training and capacity building activities under the Project;

(e) the plan for monitoring and supervision of Project activities, including all technical, environmental and social aspects in relation thereto; and

(f) the safeguard related measures.

3. (a) The Recipient shall ensure that the Project is carried out in accordance with the Project Operations Manual.

(b) The Recipient shall obtain from the Association written agreement prior to assigning, amending, abrogating, or waiving the Project Operations Manual, or any provision thereof, or permitting any of the Project
Implementing Entities or any other entity participating in the implementation of the Project, to do so.

4. In the event of any conflict between the provisions of the Project Operations Manual and those of this Agreement or the Project Agreements, the provisions of this Agreement and the Project Agreements shall prevail, in that order of priority.

E. Safeguards

1. The Recipient shall, and shall cause each of the Project Implementing Entities to, ensure that all terms of reference for any technical assistance or studies carried out under the Project are consistent with, and pay due attention to, the Association Policies and Performance Standards (as applicable), as well as the Recipient’s own laws and regulations relating to the environment and social aspects relevant to the Project.

2. The Recipient shall, and shall cause each of the Project Implementing Entities to, ensure that the Project shall be implemented in accordance with the guidelines, procedures, timetables and other specifications set forth in the Safeguard Documents as well as the requirements, terms and conditions of the Recipient’s laws, regulations, permits, licenses and consents.

3. The Recipient shall, and shall cause each of the Project Implementing Entities to, ensure that: (a) all the bidding documents and contracts include the obligation of the relevant contractors and subcontractors to: (i) adopt and implement measures to assess and manage the risks and impacts of labor influx and workers’ camps; and (ii) adopt and enforce codes of conduct that should be provided to and signed by all workers; as applicable to such civil works commissioned or carried out pursuant to said contracts; and (b) the obligation to comply with the relevant Safeguard Documents and Recipient’s laws, regulations, permits, licenses and consents is incorporated: (i) in the contracts between each of the Project Implementing Entities and the relevant contractors and any entity (including any engineer) supervising the Project’s civil works; and (ii) in the contracts between the relevant contractors and the contractors’ subcontractors.

4. Except as the Association shall otherwise agree in writing and subject to compliance with applicable consultation and public disclosure requirements of the Association, the Recipient shall not and shall ensure that none of the Project Implementing Entities shall, abrogate, amend, repeal, suspend or waive any provisions of any of the Safeguard Documents, nor shall either of them permit any entity participating in the implementation of the Project to do so.

5. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall and shall cause each of the Project Implementing Entities to, regularly collect, compile and submit to the Association, on a quarterly basis (or promptly whenever the circumstances warrant), reports on the status of compliance with the Safeguard Documents, giving details of: (a) measures taken in furtherance
of the Safeguard Documents; (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguard Documents; and (c) remedial measures taken or required to be taken to address such conditions.

6. In the event that any provision of the Safeguard Documents shall conflict with any provision under this Agreement or either of the Project Agreements, the terms of this Agreement and the Project Agreements shall prevail, in that order of priority.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Recipient shall monitor and evaluate the progress of the Project and prepare, or cause to be prepared, Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association and listed in the Project Operations Manual. Each Project Report shall cover the period of one (1) calendar quarter, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.

2. Annual Work Plans and Budgets

(a) Each year, the Recipient shall prepare, or cause to be prepared:

(i) a draft annual work plan and budget for the Project (listing all Project activities to be financed during the year covered by said plan, including Training and Incremental Operating Costs) with sources of funds for their financing and a sequenced forecast of cash flow and disbursement needs showing all Project financing irrespective of its source, including all counterpart funds or equity which may be provided by or on behalf of the Recipient or the Project Implementing Entities (an “Annual Work Plan and Budget”) for each year of Project implementation, of such scope and detail as the Association shall have reasonably requested; and

(ii) the evidence, in form and substance satisfactory to the Association, that all Safeguard Documents required prior to the implementation of the activities included in the draft Annual Work Plan and Budget have been prepared or are in the process of being prepared so as to be available in form and substance acceptable to the Association and disclosed in accordance with the Association Policies and Performance Standards.

(b) The Recipient shall furnish to the Association, as soon as available, but in any case not later than September 30 of each year, the Annual Work Plans and Budgets and the evidences referred to in subparagraph (a) immediately above, for the Association’s review and comments; except for the Annual Work Plan and Budget
for the Project for the first year of Project implementation, and the evidence which may be required for the implementation of the activities included in the draft Annual Work Plan and Budget for such period, which shall be furnished no later than two (2) months after the Effective Date.

(c) Training shall be carried out on the basis of Annual Work Plans and Budgets, which shall, inter alia, identify: (a) particulars of the training envisaged; (b) the personnel to be trained; (c) the selection method of the institution or individuals conducting such training; (d) the institution conducting such training if identified; (e) the purpose and justification for such training; (f) the location and duration of the proposed training; and (g) the estimate of the cost of such training.

(d) The Recipient shall ensure that the Project is carried out in accordance with the Annual Work Plans and Budgets approved by the Association. Only those expenditures included in an Annual Work Plan and Budget approved by the Association shall be eligible to a financing from the proceeds of the Financing.

(e) Annual Work Plans and Budgets may be revised as needed during Project implementation subject to the Association's prior written approval, which shall not be unreasonably withheld. In the event that any provision of any Annual Work Plan and Budget shall conflict with any provision under this Agreement or the Project Agreements, the terms of this Agreement and the Project Agreement shall prevail in that order of priority.

3. Project Midterm Review

The Recipient shall:

(a) not later than thirty-six (36) months after the Effective Date, or such other date as may be agreed with the Association, carry out jointly with the Association and the Project Implementing Entities (as relevant for each Project Part), a midterm review of the Project (the "Midterm Review"), to assess the status of Project implementation, as measured against the indicators referred to in Section II.A.1 above and the legal covenants included in this Agreement and the Project Agreements. Such review shall include an assessment of the following: (i) overall progress in implementation; (ii) results of monitoring and evaluation activities; (iii) progress on procurement and disbursement; (iv) progress on implementation of safeguards measures; (v) implementation arrangements and Project staffing; and (vi) the need to make any adjustments to the Project and reallocate funds to improve performance, if any;

(b) to this end, prepare and furnish to the Association, and cause the Project Implementing Entities to prepare and furnish to the Recipient and the Association, at least one (1) month before the Midterm Review, a report (or reports), in scope and detail satisfactory to the Association and integrating the results of the
monitoring and evaluation activities performed pursuant to Section II.A.1 of this Schedule and Section II.A.1 of the Schedule to the Project Agreements, on the progress achieved in the carrying out of the Project during the period preceding the date of such report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objective thereof during the period following such date; and

(c) review jointly with the Association and the Project Implementing Entities the report or reports referred to in the preceding paragraph, and thereafter take, and cause the Project Implementing Entities to take, all measures required to ensure the efficient completion of the Project and the achievement of the objective thereof, based on the conclusions and recommendations of such report or reports and the Association's views on the matter.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.

2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association not later than 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 Association.

3. The Recipient shall have its Financial Statements audited, and shall cause each of the Project Implementing Entities to have its financial statements audited, in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements and the Project Implementing Entities’ financial statements shall cover the period of one (1) fiscal year of the Recipient or the Project Implementing Entity, as the case may be. The audited Financial Statements and Project Implementing Entities’ financial statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

4. The Recipient shall, throughout the implementation of the Project:

(a) prepare and provide to the Association, no later than March 1st of each year (or such other date which the Association has confirmed in writing to the Recipient is reasonable and acceptable under the circumstances, as determined by the Association in its sole discretion), a report on the retail tariff calculation and the adjustment for the year in scope and detail satisfactory to the Association; and
cause an independent expert to be selected on the basis of terms of reference, qualifications and experience satisfactory to the Association and to be recruited, no later than forty-five (45) days after the date of the report referred to in paragraph (a) immediately above, in order to verify the calculation referred to in paragraph (a) immediately above and other data related to the determination of the tariff, and confirm its consistency with the Tariff Regulations.

5. No later than July 1, 2020, and in any case no later than three (3) months before the date of revision of the non-fuel base tariff in accordance with the Tariff Regulations, the Recipient shall, or shall cause SIEA to, recruit an independent expert, on the basis of terms of reference, qualifications and experience satisfactory to the Association for the purpose of reviewing, no later than September 15, 2020, SIEA’s draft application for a revision of the non-fuel base tariff, including, inter alia, the calculation of SIEA’s non fuel revenue requirements (including the Non Fuel Operating Costs, Regulatory Asset Base, WACC, Capital Recovery Factor, Network Access Charge, Demand Charge and Fuel Charge, as each such term is defined in the Tariff Regulations) and the objectivity of such costs and items in light of SIEA’s costs of production, operation and financing.

Section III. Procurement

All goods, works, non-consulting services and 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 the Procurement Regulations and the provisions of the Procurement Plan.

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 “Disbursement Guidelines for Investment Project Financing” dated February 2017, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table (“Disbursement Table”) specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing (“Category”), the allocations of the amounts of the Credit and of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Credit Allocated (expressed in USD)</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) Goods, works, non-consulting services, and consulting services for Part 1 of the Project</td>
<td>21,304,000</td>
<td>5,360,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, works, non-consulting services, and consulting services for Part 3 of the Project</td>
<td>2,071,000</td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>(3) Goods, works, non-consulting services, consulting services Training and Incremental Operating Costs for Part 4 of the Project</td>
<td>2,120,000</td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td>23,375,000</td>
<td>7,480,000</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:

   (a) for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed $200,000 may be made for payments made prior to this date but on or after July 1, 2018, for Eligible Expenditures under Category (3) for the financing of dam safety and environmental and social activities under Part 4 of the Project; or

   (b) under Category 1 until:

      (i) the Sponsors' equity has been paid to the Project Company in accordance with the Annual Work Plan and Budget approved by the Association;

      (ii) the Association is satisfied that the financial management system established in the Project Company complies with the requirements of Section 4.09 of the General Conditions;
(iii) all Co-financing Agreements have been executed by the parties thereto, have been declared effective in accordance with their respective terms and conditions and all conditions precedent to the right to make a disbursement for the financing of Part 1 or Part 2, as the case may be, of the Project have been satisfied (except for the satisfaction of this condition of disbursement if it is a condition of effectiveness or disbursement in any of such agreements);

(iv) all conditions precedent to the PPA Closing Date have been achieved, except for the satisfaction of this condition of disbursement; and as part of such achievement or in addition to the requirements of the PPA Closing Date:

(A) the PC Subsidiary Agreement has been signed in accordance with the provisions of Section I.B.1(a)(i) of the Schedule 2 to this Agreement, and the legal opinion referred to in Section I.B.1(a)(ii) of the Schedule 2 to this Agreement has been provided to the Association;

(B) the Land-Owning Company has been established and the Lease Agreement has been signed in accordance with the provisions of Section I.B.1(b)(i) of the Schedule 2 to this Agreement, and the corresponding legal opinion referred to in Section I.B.1(b)(ii) of the Schedule 2 to this Agreement has been provided to the Association; and

(C) the EPC Contract has been signed in accordance with the provisions of Section I.B.1(b)(i) of the Schedule 2 to this Agreement, and the corresponding legal opinion referred to in Section I.B.1(b)(ii) of the Schedule 2 to this Agreement has been provided to the Association.

(v) a mechanism allowing the Association and the Co-financiers to coordinate their monitoring and supervision activities related to the Project has been developed;

(vi) each of the Recipient and the Project Company has complied with all its obligations which it committed it would have complied with at that time under the Safeguard Documents and this Agreement or the PC Project Agreement, as the case may be; and
(vii) the Recipient: (A) has recruited or caused to be recruited an independent environmental and social monitoring agent in accordance with the provisions of Section I.A.3(a) of Schedule 2 to this Agreement as well as an owner's engineer on the basis of terms of reference, qualifications and experience satisfactory to the Association; and (B) has caused the Project Implementing Entities to jointly recruit an independent engineer on the basis of terms of reference, qualifications and experience satisfactory to the Association; or

(c) under Category 2 until:

(i) SIEA has entered into the SIEA Subsidiary Agreement with the Recipient in accordance with the provisions of Section I.B.2(a) of Schedule 2 to this Agreement and the Association has received the legal opinions related to the SIEA Subsidiary Agreement in accordance with the provisions of Section I.B.2(b) of Schedule 2 to this Agreement;

(ii) evidence in form and substance acceptable to the Association has been furnished to the Association, demonstrating that sufficient funds are available for the financing of Part 3 of the Project, (A) from the counterpart funds for Part 3 of the Project in accordance with the provisions of Section I.B.3(a) of Schedule 2 to this Agreement, and if necessary (B) from other sources, provided that funds provided from other sources shall be on terms and conditions consistent with the Recipient's obligations under this Agreement, the Project Documents to which it is a party, the Co-financing Agreements and the SIEA Project Agreement; and

(iii) each of the Recipient and SIEA has complied with all its obligations which it committed it would have complied with at that time under the Safeguard Documents and this Agreement or the SIEA Project Agreement, as the case may be; or

(d) under Category 3 until the APIP Co-financing Agreement has been signed between the Bank and the Association acting as administrator of APIP and the Recipient for the financing of Part 4 of the Project and has been declared effective in accordance with its terms and conditions, and all conditions precedent to the right to make a disbursement for the financing of Part 4 of the Project have been satisfied, except for the satisfaction of this condition of disbursement if it is a condition in such agreement.

2. The Closing Date is December 15, 2025.
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 February 15 and August 15:</td>
<td></td>
</tr>
<tr>
<td>commencing August 15, 2027 to and including February 15, 2037</td>
<td>1%</td>
</tr>
<tr>
<td>commencing August 15, 2037 to and including February 15, 2057</td>
<td>2%</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


2. "ADB Co-financing" is referred to in Paragraph B(i) of the Preamble to this Agreement.

3. "ADB Co-financing Agreement" means the agreement (including all appendices, schedules and agreements supplemental thereto) to be entered into between ADB and the Recipient for the extension of the ADB Co-financing, as such agreement may be amended from time to time.

4. "ADFD" means the Abu Dhabi Fund for Development.

5. "ADFD Co-financing" is referred to in Paragraph B(ii) of the Preamble to this Agreement.

6. "ADFD Co-financing Agreement" means the agreement (including all appendices, schedules and agreements supplemental thereto) to be entered into between ADFD and the Recipient for the extension of the ADFD Co-financing, as such agreement may be amended from time to time.

7. "Annual Work Plans and Budgets" means the annual work plans and budgets for the implementation of the Project, referred to in Section II.A.2 of Schedule 2 to this Agreement and in Section II.A.2 of the Schedule to each of the Project Agreements.


9. "APIP" means the Australia-Pacific Islands Partnership Trust Fund.

10. "APIP Co-financing" is referred to in Paragraph B(iii) of the Preamble to this Agreement.

11. "APIP Co-financing Agreement" means the agreement (including all appendices, schedules and agreements supplemental thereto) to be entered into between the Bank and the Association, acting as administrator of APIP, and the Recipient for the extension of the APIP Co-financing, as such agreement may be amended from time to time.
12. "Association Policies" means, collectively, but only to the extent that they are applicable to the Project pursuant to the Safeguard Documents: (i) the Association's operational policies and procedures as of the date of this Agreement, set forth in the Association's Operational Manual under OP/BP 4.01 (Environmental Assessment), OP 4.03 (Performance Standards), 4.04 (Natural Habitats), OP/BP 4.11 (Physical Cultural Resources), OP/BP 4.10 (Indigenous Peoples), OP/BP 4.12 (Involuntary Resettlement), OP/BP 4.36 (Forests), and OP/BP 4.37 (Safety of Dams), as said manual is published on www.worldbank.org, as well as (ii) the Environmental, Health and Safety Guidelines as of the date of this Agreement, published on www.ifc.org/ehsguidelines.

13. "Basis Adjustment to the Service Charge" means the Association's standard basis adjustment to the Service Charge for credits in the currency of denomination of the Credit, in effect at 12:01 a.m. Washington, D.C. time, on the date on which the Credit is approved by the Executive Directors of the Association, and expressed either as a positive or negative percentage per annum.

14. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.

15. "Co-financiers" means, collectively, ADB, ADFD, APIP, EDCF, and GCF; and "Co-financier" means any one of them.

16. "Co-financing" means, for purposes of paragraph 11 of the Appendix to the General Conditions, an amount of $175,300,000, to be provided by the Co-financer to assist in financing the Project or, when referring to the contribution of one Co-financer to such aggregate amount, the amount of such contribution, as detailed in Paragraph (b) of the Preamble to this Agreement.

17. "Co-financing Agreements" means, collectively, the ADB Co-financing Agreement, the ADFD Co-financing Agreement, the APIP Co-financing Agreement, the EDCF Co-financing Agreement, and the GCF Co-financing Agreement; and "Co-financing Agreement" means any one of them.

18. "Community Development Plan" means the Recipient's plan entitled "Community Development Plan" and dated May 2017, as such document may be amended from time to time in accordance with the provisions of Section L.E.4 of Schedule 2 to this Agreement, which details: (i) the measures taken during preparation and to be taken during the implementation and operation of the Project in consultation with the communities, for the communities to share in the benefits of the Project; and (ii) the actions needed to implement these measures; and such term includes any annexes, appendices, or schedules to such plan.

19. "Dam Safety Advisory Panel" means the panel established by the Recipient, comprising experts on dam, geology, seismology and hydrology/sedimentology
initially contracted in July 2013, and referred to in Section I.A.3(b) of Schedule 2 to this Agreement.

20. “Disbursement Table” means the table in Section IV.A.2 of Schedule 2 to this Agreement.


22. “EDCF Co-financing” is referred to in Paragraph B(iv) of the Preamble to this Agreement.

23. “EDCF Co-financing Agreement” means the agreement (including all appendices, schedules and agreements supplemental thereto) to be entered into between EDCF and the Recipient for the extension of the EDCF Co-financing, as such agreement may be amended from time to time.

24. “Electricity Legislation” means, collectively, the Recipient’s laws and regulations governing the electricity sector and SIEA, including the Electricity Act 1969, the Electricity Regulations 1993, the State Owned Enterprises Act 2007, the State Owned Regulations 2010 and the Electricity Tariff (Base Tariff and Tariff Adjustments) Regulations 2016, each as modified up to the date of this Agreement.

25. “Environmental and Social Impact Assessment” means the Recipient’s document for the Project entitled “Environmental and Social Impact Assessment” and dated August 2016 and updated in January 2017, March 2017 and August 2017, as such document may be amended from time to time in accordance with the provisions of Section I.E.4 of Schedule 2 to this Agreement, which describes the Project, its institutional and legal framework, the analysis of its alternatives, its environmental and social baselines, the assessment of its impacts on the environment and the populations, and contains guidance for the preparation of Environment and Social Management Plans, a cumulative impact assessment and a review of the effect of the environment on the Project; and such term includes any annexes, appendices, or schedules thereto.

26. “Environmental and Social Management Plan” means the plan developed under Section 13.1 to 13.3 and other relevant parts of the Environmental and Social Impact Assessment, as such document may be amended from time to time in accordance with the provisions of Section I.E.4 of Schedule 2 to this Agreement, which details: (i) the measures to be taken during the implementation and operation of Project activities to eliminate or offset adverse environmental or social impacts, or to reduce them to acceptable levels; and (ii) the actions needed to implement these measures; and such term includes any annexes, appendices, or schedules to such plan.
27. "EPC Contract" means the agreement to be entered into between the Project Company and the EPC Contractor in accordance with the provisions included or referred to in the PPA, this Agreement, the PC Project Agreement and the Safeguard Documents.

28. "EPC Contractor" means Hyundai Engineering Company Limited (HEC), or any other legal entity substituted to it and with respect to which the Association has sent a prior written confirmation to the Recipient that it is acceptable to the Association.

29. "GCF" means the Green Climate Fund.

30. "GCF Co-financing" is referred to in Paragraph B(v) of the Preamble to this Agreement.

31. "GCF Co-financing Agreement" means the agreement (including all appendices, schedules and agreements supplemental thereto) to be entered into between the Association, acting as the Accredited Entity for the GCF, and the Recipient for the extension of GCF Co-financing, as such agreement may be amended from time to time.

32. "Gender Action Plan" means the Recipient’s document for the Project entitled Gender Action Plan and dated January 31, 2017, as such document may be amended from time to time in accordance with the provisions of Section I.E.4 of Schedule 2 to this Agreement, which contains a costed plan to reduce the burden of work on women and improve their livelihood opportunities through access to resources and services; ensure gender equality in opportunities for education, skill building, training and employment; promote the voice, participation and empowerment of women, and reduce opportunities for elite capture of funds; and increase organizational capacity for gender mainstreaming; and such term includes any annexes, appendices, or schedules to such plan.


34. "Government Guarantee Agreement" means the agreement between the Recipient and the Project Company for the purpose of, inter alia, guaranteeing the Offtaker’s payment obligations under the Power Purchase Agreement, dated December 6, 2018.

35. "Implementation Agreement" means the agreement between the Recipient and the Project Company for the purpose of, inter alia, extending exclusive rights for the implementation of Parts 1 and 2 of the Project, dated December 6, 2018.
36. "Incremental Operating Costs" means the reasonable costs, which shall have been agreed by the Association under each Annual Work Plan and Budget, for the incremental expenses incurred by the Project Steering Committee, Project Management Office, Project Company, SIEA and MMERE, on account of Project implementation and supervision, consisting of advertising expenses, vehicle operation and maintenance, communication and insurance costs, banking charges, rental expenses, office (and office equipment) maintenance, utilities, document duplication/printing, consumables, travel cost and per diem for Project staff for travel linked to the implementation or supervision of the Project, and salaries of contractual staff for the Project (but excluding salaries, salary supplements and overheads of members of the Recipient’s civil service).

37. "Involuntary Resettlement" means the following caused on account of Project implementation: (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 the affected person 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 the affected person.

38. "kV" means kilovolt.

39. "Land Acquisition and Livelihood Restoration Plan" means the Recipient document for the Project entitled "Land Acquisition and Livelihood Restoration Plan" and dated August 2016 and updated in January and May 2017, as such document may be amended from time to time in accordance with the provisions of Section I.E.4 of Schedule 2 to this Agreement, which describes the Project and the land required for its implementation, the policy and legal context and the process for the land acquisition, the profile of the Project affected people and the impacts on their livelihoods, as well as the livelihood restoration measures proposed to be implemented, which establishes grievance redress and monitoring mechanisms and contains a Resettlement and Livelihoods Restoration Framework for Part 3 of the Project; and such term includes any annexes, appendices, or schedules thereto.

40. "Land-Owning Company" means the company to be established between the Recipient and the Core Land Tribes (as such term is defined in the Community Development Plan) in accordance with the provisions of the Community Development Plan.

41. "Lease Agreement" means the agreement to be entered into between the Land-Owning Company and the Project Company in accordance with the provisions included or referred to in the PPA, this Agreement, the PC Project Agreement and the Safeguard Documents, for the purpose of, inter alia, governing the right to use the land required for the implementation of Part 1 and Part 2 Lot 2 of the Project.
42. “Midterm Review” means the Project review referred to in Section II.A.3 of Schedule 2 to this Agreement, and in Section II.A.3 of the Schedule to each of the Project Agreements.

43. “MMERE” means the Recipient’s ministry responsible for energy, or any successor thereto.

44. “MW” means megawatt.

45. “Offtaker” means SIEA.

46. “Part” means a Part of the Project as set forth in Schedule 1 to this Agreement.

47. “PC Constitutive Documents” means, collectively, the Company Rules of the Project Company published in the Solomon Islands after completion of the formalities required under the laws of the Solomon Islands, the Certificate of Registration of the Project Company, and the shareholders’ agreement between the Sponsors with respect to the Project Company dated December 6, 2018, consistent with the provisions of this Agreement and the PC Project Agreement (as may be amended from time to time subject to compliance with the provisions of the PC Project Agreement).

48. “PC Project Agreement” means the agreement between the Association and the Project Company for the implementation of the Project Company’s Respective Part of the Project.

49. “PC Subsidiary Agreement” means the agreement to be entered into between the Recipient and the Project Company in accordance with the provisions included or referred to in the PPA, this Agreement and the PC Project Agreement, for the purpose of, inter alia, transferring the funds allocated to the financing of Parts 1 and 2 of the Project (including part of the Financing) to the Project Company.

50. “Performance Standards” means, collectively, the eight Performance Standards developed by the International Finance Corporation (IFC) as well as the Environmental, Health and Safety Guidelines that have been adopted by the Bank and the Association as the World Bank Performance Standards for Projects supported by the private sector for application to the Bank and the Association support for projects (or Parts thereof) that are designed, owned, constructed and/or operated by a private entity, in lieu of the World Bank’s safeguard policies, each as of the date of this Agreement. The Performance Standards and the Environmental, Health and Safety Guidelines can be found in the Association’s Operational Manual under OP/BP 4.03 (Performance Standards), at www.worldbank.org, as well as on www.ifc.org/ehsguidelines.
51. "Power Purchase Agreement" or "PPA" means the agreement between the Project Company and the Offtaker for the purpose of, \textit{inter alia}, selling and purchasing capacity and electricity, dated December 6, 2018.

52. "PPA Closing Date" means the closing date as such term is defined in the PPA (which, for the avoidance of doubt, is not the Closing Date under this Agreement, as defined in the General Conditions and Section IV.B.2 of Schedule 2 to this Agreement).

53. "Procurement Plan" means the Recipient’s procurement plan for the Project, dated May 10, 2017 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.


55. "Project Agreements" means, collectively, the PC Project Agreement and the SIEA Project Agreement and "Project Agreement" means either the PC Project Agreement or the SIEA Project Agreement, as the context may require.

56. "Project Company" means Tina Hydropower Limited, the company established between the Sponsors pursuant to the PC Constitutive Documents for the implementation of Parts 1 and 2 of the Project.

57. "Project Consents" means, collectively, the consents listed or referred to in the Implementation Agreement and the PPA.

58. "Project Documents" means, collectively, the Lease Agreement, the Implementation Agreement, the Power Purchase Agreement (and the Government Guarantee Agreement related thereto), the EPC Contract and the PC Subsidiary Agreement.

59. "Project Implementing Entities" means, collectively, the Project Company and SIEA: and "Project Implementing Entity" means either the Project Company or SIEA, as the context may require.

60. "Project Management Office" means the Recipient’s management office, established for the Project pursuant to the Recipient’s Cabinet decision dated October 26, 2009 and referred to in Section I.A.2 of Schedule 2 to this Agreement.

61. "Project Operations Manual" means the Recipient’s manual or manuals to be prepared and adopted in accordance with Section I.D.1 of Schedule 2 to this Agreement, containing guidelines on the overall organization and implementation arrangement for the Project.
62. "Project Steering Committee" means the steering committee to be established in accordance with the provisions of Section I.A.1 of Schedule 2 to this Agreement.

63. "Resettlement Action Plan" means each plan prepared and disclosed by the Recipient or one of the Project Implementing Entities in accordance with the provisions of the Resettlement and Livelihoods Restoration Framework, with respect to an activity included under an Annual Work Plan and Budget, as such document may be amended from time to time in accordance with the provisions of Section I.E.4 of Schedule 2 to this Agreement, that details: (i) the measures to be taken before the implementation and operation of such activity to restore livelihood further to an Involuntary Resettlement; and (ii) the actions needed to implement these measures; and such term includes any annexes, appendices, or schedules to such plan.

64. "Resettlement and Livelihoods Restoration Framework" means the Resettlement and Livelihoods Restoration Framework included in Section 11 of the Land Acquisition and Livelihood Restoration Plan, as such document may be amended from time to time in accordance with the provisions of Section I.E.4 of Schedule 2 to this Agreement, which describes the key principles in assessing the potential impacts and designing Part 3 of the Project and the mitigation measures to restore livelihoods after an Involuntary Resettlement and contains indications for grievance redress and monitoring; and such term includes any annexes, appendices, or schedules to such framework.

65. "Respective Part of the Project" means, when referring to the Project Company’s Respective Part of the Project, Parts 1 and 2 of the Project; when referring to SIEA’s Respective Part of the Project, Part 3 of the Project; and when referring to the Recipient’s Respective Part of the Project, Part 4 of the Project.

66. "Safeguard Documents" means, collectively: (i) the Environmental and Social Impact Assessment, including the Environmental and Social Management Plan contained in such document; (ii) the Land Acquisition and Livelihood Restoration Plan, including the Resettlement and Livelihoods Restoration Framework contained in such document; (iii) the Resettlement Action Plans prepared in accordance with the Resettlement and Livelihoods Restoration Framework if any, (iv) the Gender Action Plan, (v) the Community Development Plan; and (vi) the Sponsors Environmental and Social Impact Assessment and Plans.

67. "SIEA" means Solomon Islands Electricity Authority (trading under the name "Solomon Power").

68. "SIEA Project Agreement" means the agreement between the Association and SIEA for the implementation of SIEA’s Respective Part of the Project.
69. "SIEA Subsidiary Agreement" means the agreement to be entered into between the Recipient and SIEA in accordance with Section 1.B.2(a) of Schedule 2 to this Agreement, for the purpose of, inter alia, transferring part of the funds of the Financing to SIEA.

70. "Sponsors" means, collectively, Korea Water Resources Corporation (K-water), the agency of the government of the Republic of Korea for comprehensive water resources development and the provision of both public and industrial water in the Republic of Korea, established in 1967 pursuant to the Korea Water Resource Development Corporation Act 919, or any other legal entity substituted to it and with respect to which the Association has sent a prior written confirmation to the Recipient that it is acceptable to the Association; and Hyundai Engineering Company Limited, a privately owned company incorporated under the laws of the Republic of Korea, or any other legal entity substituted to it and with respect to which the Association has sent a prior written confirmation to the Recipient that it is acceptable to the Association.

71. "Sponsors Environmental and Social Impact Assessment and Plans" means, collectively, the plan and the environmental and social impact assessment to be developed by the Sponsors in accordance with the Performance Standards 1 to 4 and 6 to 8, as such document may be amended from time to time in accordance with the provisions of Section 1.E.4 of Schedule 2 to this Agreement.

72. "Subsidiary Agreements" means, collectively, the PC Subsidiary Agreement and the SIEA Subsidiary Agreement; and "Subsidiary Agreement" means, either the PC Subsidiary Agreement or the SIEA Subsidiary Agreement, as the context may require.


74. "Training" means training activities included in an Annual Work Plan and Budget approved by the Association, comprising seminars, workshops and study tours, along with reasonable costs (in the view of the Association) associated with such activities, including travel and subsistence costs for training participants, costs associated with securing the services of trainers, rental of training facilities, preparation and reproduction of training materials, and other charges directly related to course preparation and implementation but excluding consultants' services.