Financing Agreement

(Additional Financing For Electricity Sector Support Project and Amendment to the Original Project)

between

REPUBLIC OF SENEGAL

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated August 31, 2016
FINANCING AGREEMENT

AGREEMENT dated August 31, 2016, entered into between REPUBLIC OF SENEGAL ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") for the purpose of providing additional financing for activities related to the Original Project (as defined in the Appendix to this Agreement). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) 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 — CREDIT

2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in the amount of sixty-two million eight hundred thousand Euros (Euro 62,800,000) (variously, "Credit" and "Financing"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").

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

2.03. The Front-end Fee payable by the Recipient shall be equal to one quarter of one percent (¼ of 1%) of the Credit amount. The Recipient shall pay the Front-end Fee not later than sixty (60) days after the Effective Date.

2.04. The Commitment Charge payable by the Recipient shall be one-quarter of one percent (¼ of 1%) per annum on the Unwithdrawn Credit Balance.

2.05. The Interest Charge payable by the Recipient for each Interest Period shall be at a rate equal to two point forty seven percent (2.47%) per annum; provided, however, that the Interest Charge payable shall in no event be less than three quarters of one percent (¾ of 1%) per annum.

2.06. The Payment Dates are April 15 and October 15 in each year.

2.07. The principal amount of the Credit shall be repaid in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.
2.08. The Payment Currency is Euro.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall cause the Project to be carried out by the Project Implementing Entity in accordance with the provisions of Article IV of the General Conditions and the Project Agreement.

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

ARTICLE IV — REMEDIES OF THE ASSOCIATION

4.01. The Additional Event of Suspension consists of the following, namely that the Project Implementing Entity’s Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Project Implementing Entity to perform any of its obligations under the Project Agreement.


4.03. The Additional Events of Acceleration consists of the following, namely that the event specified in Section 4.01 of this Agreement occurs and is continuing for a period of sixty (60) days after notice of the event has been given by the Association to the Recipient.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Condition of Effectiveness consists of the following, namely that the Subsidiary Agreement has been executed on behalf of the Recipient and the Project Implementing Entity.

5.02. The Additional Legal Matter consists of the following, namely that the Subsidiary Agreement has been duly authorized or ratified by the Recipient and the Project Implementing Entity and is legally binding upon the Recipient and the Project Implementing Entity in accordance with its terms.

5.03. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
5.04. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient’s Representative is its Minister in charge of finance.

6.02. The Recipient’s Address is:

Ministère de l’Économie et des Finances et du Plan
Rue René N’diaye
B.P. 4017
Dakar
Sénégal

Adresse télégaphique: Télex: Télécopie:
MINIFINANCES 3203 G 221-33-821-1630

6.03. The Association’s Address is:

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

Telex: Facsimile:
248423 (MCI) 1-202-477-6391
AGREED at Washington D.C., United States of America, as of the day and year first above written.

REPUBLIC OF SENEGAL

By

Authorized Representative

Name: 

Title: 

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: 

Title: 

SCHEDULE 1

Project Description

The objectives of the Project are to contribute to: (i) reducing SENELEC’s technical and commercial losses; and (ii) improving the reliability of electricity services in selected areas focusing primarily on Greater Dakar.

The Project consists of the following parts:

Part A: Upgrading and Modernization of the Transmission and Distribution Network

1. Upgrading, rehabilitation or replacement of existing transmission lines and substations in the Interconnected Network Area of the Recipient’s territory.

2. Upgrading of the distribution network from 6.6 kV to 30 kV from at least two selected substations in Greater Dakar.

3. Installation of remotely controlled MV/LV equipment in distribution substations in Greater Dakar.

4. Extension and densification of the distribution network in the Recipient’s territory.

5. Extension of the Interconnected Network to reach isolated secondary consumption centers of the Recipient’s territory.

6. Extension of the distribution network outside the Interconnected Network to reach isolated consumption centers of the Recipient’s territory.

Part B: Improvement of SENELEC’s Commercial Performance

1. Installation of about 150,000 STS compliant Split Pre-paid Meters in the Recipient’s territory.

2. Installation of about 10,000 electronic Smart Meters and of a remote meter reading system in the Recipient’s territory.

3. Installation of a new electricity customer management system for SENELEC.

4. Development and implementation of communication and marketing tools on SENELEC’s services to its clients including, commercialization of pre-payment system and establishment and/or reinforcement of call center facilities including provision of the equipment required for the purpose.

5. Improving methods of payment to ensure SENELEC’s revenues through: (a) acquisition of about 260,000 STS complaint Split Pre-paid Meters;
(b) acquisition of material necessary for the rehabilitation of internal networks to improve safety in selected markets; and (c) installation of internal wiring for selected Low Income Households, including the equipment required for the purpose.

**Part C: Long Term Sector Strategic Outlook**

1. Carrying out of studies designed to assist the Recipient in developing a long-term strategy for its energy sector, regarding: (a) energy diversification; (b) private sector participation in the energy sector; (c) strengthening of the energy sector’s governance, efficiency, transparency and accountability; and (d) SENELEC’s financial restructuring and electricity tariff review.

2. Carrying out a program of activities aimed at strengthening the Recipient and SENELEC’s capacity in the areas of governance, transparency, and accountability in the energy sector through, *inter alia*, provision of assistance for: (a) implementation of risk management and monitoring and evaluation tools; (b) preparation of administrative, accounting and financial procedures for the sector; (c) implementation of selected parts of the Strategic Plan; (d) undertaking audits of the Performance Contract; (e) national energy sector planning; and (f) preparation of related diagnostic and implementation of recommendations to improve the electricity and hydrocarbon sectors.

**Part D: Project Implementation, Communication, Monitoring and Evaluation**

Project coordination, supervision, financial management, communication and outreach, procurement, surveys, supervision of implementation of the Safeguard Instruments, monitoring and evaluation of the Project, including through the provision of technical assistance, Training, goods and audit services.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Permanent Secretariat for Energy

In order to ensure the prompt and efficient oversight of the Project, the Recipient shall maintain, throughout Project implementation, the Permanent Secretariat for Energy, or any analogous entity, with mandate, composition and resources satisfactory to the Association to be responsible for overall oversight of the Project.

B. Subsidiary Agreement

1. To facilitate the carrying out of the Project, the Recipient shall make the proceeds of the Financing available to the Project Implementing Entity, under a subsidiary agreement between the Recipient and the Project Implementing Entity, under terms and conditions approved by the Association, ("Subsidiary Agreement").

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

C. Anti-Corruption

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

D. Annual Work Plan

1. The Recipient shall: (a) review and furnish to the Association for its approval, not later than December 1 in each Fiscal Year during the implementation of the Project, the proposed annual work plan (including activities for the following Fiscal Year and related budget and any required Safeguard Documents including a financing plan for any resettlement compensation required for said activities) prepared by the Project Implementing Entity and furnished to it pursuant to Section 1D of the Schedule to the Project Agreement for the following Fiscal Year; (b) afford the Association a reasonable opportunity to exchange views with the Recipient and the Project Implementing Entity on said proposed plan; and (c) thereafter ensure that the Project is implemented with due diligence during said following Fiscal Year in accordance with such annual work plan as shall have been approved by the Association ("Annual Work Plan").
2. The Recipient shall not make or allow to be made any change to the Annual Work Plan without prior approval in writing by the Association.

E. Safeguards

1. The Recipient shall ensure that the Project is carried out in accordance with the relevant Safeguard Instruments, and to that end, if any activity included in an Annual Work Plan would, pursuant to the Safeguard Frameworks, require the adoption of any Safeguard Document:

   (a) prepare: (i) such Safeguard Document; (ii) furnish such Safeguard Document to the Association for review and approval; and (iii) thereafter adopt such Safeguard Document, prior to implementation of the activity;

   (b) thereafter take such measures as shall be necessary or appropriate to ensure compliance with the requirements of such Safeguard Document, including without limitation to the above, providing funds as and when required for resettlement compensation when and if required under a RAP.

2. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall ensure that the Project Implementing Entity shall regularly collect, compile and submit to the Association on a quarterly basis, reports, in form and substance satisfactory to the Association, on the status of compliance with the Safeguard Instruments, giving details of:

   (a) measures taken in furtherance of such Safeguard Instruments;

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

   (c) remedial measures taken or required to be taken to address such conditions.

3. The Recipient shall afford the Association a reasonable opportunity to review the reports prepared under paragraph 2 of this Part E, and thereafter shall carry out or cause to be carried out, with due diligence, all remedial measures agreed with the Association so as to ensure the proper implementation of the Project in accordance with the Safeguard Instruments.

4. The Recipient shall not amend, abrogate, repeal, suspend, waive, or otherwise fail to enforce, or permit to be amended, abrogated, repealed, suspended or waived any of the Safeguard Instruments or any provision thereof without the prior written approval of the Association. In case of inconsistency between this Agreement and any of the Safeguard Instruments, the terms of this Agreement shall prevail.
Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

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

B. Financial Management, Financial Reports and Audits

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

2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association 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 in accordance with the provisions of Section 4.09(b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one Fiscal Year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. Goods, Works and Non-consulting Services. All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Credit 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 Credit shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.

3. Definitions. The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in Sections II and III of the
Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods, Works and Non-consulting Services

1. International Competitive Bidding. Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. Other Methods of Procurement of Goods, Works and Non-consulting Services. The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) Limited International Bidding; (b) National Competitive subject to the provisions of paragraph 3 of this Section III.B; (c) Shopping; (d) Direct Contracting.

3. The following provisions apply to National Competitive Bidding: (a) bids shall be advertised in national newspapers with wide circulation; (b) bid evaluation, bidder qualification and award criteria shall be specified clearly in the bidding documents; (c) bidders shall be given an adequate response time (minimum four weeks following the date of the invitation to bid or the date of availability of the bidding documents, whichever is later) to prepare and submit bids; (d) bids shall be awarded to the lowest evaluated bidder; (e) eligible bidders, including foreign bidders, shall not be precluded from participating; and (f) no preference margin shall be granted to domestic contractors.

C. Particular Methods of Procurement of Consultants’ Services

1. Quality- and Cost-based Selection. Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.

2. Other Methods of Procurement of Consultants’ Services. The following methods, other than Quality and Cost-based Selection, may be used for procurement of consultants’ services for those contracts which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least-Cost Selection; (d) Selection based on Consultants’ Qualifications; (e) Single-source Selection of consulting firms; (f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (g) Single-source procedures for the Selection of Individual Consultants.
D. **Review by the Association of Procurement Decisions**

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

E. **Transitional Provisions in respect of Procurement**

1. Notwithstanding the terms and conditions of the Original Financing Agreement and to the extent that the procurement of any goods, works or consultants’ services to be financed, at least in part, out of the proceeds of the Original Financing was or will be initiated on or after September 30, 2016, the Recipient acknowledges and agrees that the provisions of this Agreement set forth or referred to in:
   (a) Section I.C (*Anti-Corruption*) of this Schedule 2 (including the related provisions under the General Conditions) shall apply to the proceeds of the Original Financing utilized to finance such goods or consultants’ services; and
   (b) Section III (*Procurement*) of this Schedule (including the related provisions under the General Conditions) shall apply to the procurement of such goods or consultants’ services.

2. Notwithstanding the provisions of Section I.C (*Anti-Corruption*) and Section III (*Procurement*) of this Schedule 2: (a) to the extent that the procurement of any goods, works, or consultants’ services to be financed out of the proceeds of the Original Financing was initiated prior to September 30, 2016; and (b) there are no proceeds remaining under the Original Financing to finance such goods or consultants’ service; then, on an exceptional basis only and subject to the Association’s prior no-objection, Section I.C of this Schedule 2 shall not apply to the proceeds of the Financing utilized to finance such goods, works, or consultants’ services, and Section III of this Schedule shall not apply to the procurement of such goods, works, or consultants’ services; provided, however, that the provisions of Section I.B (*Anti-Corruption*) and Section III (*Procurement*) of Schedule 2 to the Original Financing Agreement shall apply, respectively to the proceeds of the Financing utilized to finance such goods, works, or consultants’ services and to the procurement of such goods, works, and consultants’ services.

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

A. **General**

1. The Recipient may withdraw the proceeds of the Credit in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Association and as made applicable to this
Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Credit (“Category”), the allocations of the amounts of the Credit 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 EUR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, Training, Operating Costs, and consultants’ services for the Project (except Parts A.2, A.3, B.1, B.2, and B.3)</td>
<td>62,800,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>62,800,000</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) from the Credit Account until the Association has received payment in full of the Front-end Fee; or

   (b) for payments made prior to the date of this Agreement.

2. The Closing Date is October 31, 2020.

Section V. Other Undertakings

A. The Recipient shall ensure that: (1) SENELEC’s electricity tariff levels are reviewed not later than January 1, April 1, July 1 and October 1, in each Fiscal Year, and adjusted by said date, if required, to ensure that SENELEC receives the maximum allowed revenue as set out in the Recipient’s electricity regulatory agency official bulletin entitled “Decision no. 2011-04 regarding SENELEC’s tariff requirements for 2011-2013” and dated July 21, 2011; and/or (2) SENELEC is fully and promptly compensated for any loss of revenue resulting from insufficient or untimely adjustment.
B. The Recipient shall ensure that SENELEC maintains a level of Accounts Receivable from electricity sales not exceeding ninety-five (95) days in each Fiscal Year throughout Project implementation.

C. The Recipient shall ensure that no later than November 30 of each year during Project implementation, SENELEC at those times prepares and informs the Recipient and the Association of a forecast of SENELEC’s EBITDA over debt service ratio for the immediately subsequent Fiscal Year, calculated in a manner satisfactory to the Association. The Recipient shall cause SENELEC to maintain such ratio at a level equal to or greater than 1.2 through the end of 2018 and 1.4 thereafter. In the event such ratio is forecast to fall below said relevant level, the Recipient shall ensure that measures satisfactory to the Association are promptly taken to prevent such fall.
**SCHEDULE 3**

**Amortization 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 April 15 and October 15</td>
<td>2.35%</td>
</tr>
<tr>
<td>commencing on October 15, 2025 to and including October 15, 2039</td>
<td></td>
</tr>
<tr>
<td>and on April 15, 2040, to and ending on April 15, 2046</td>
<td>2.45%</td>
</tr>
</tbody>
</table>

* The percentages represent the percentage of the principal amount of the Credit to be repaid.
APPENDIX

Section I. Definitions

1. “Accounts Receivable” means the ratio defined as the total amount billed by SENELEC for electricity purchases and not yet paid divided by SENELEC’s annual turnover and multiplied by 360.

2. “Annual Work Plan” means each annual work plan, together with the related budget and any required EMP and RAP, for the Project approved by the Association pursuant to the provisions of Section I.D of Schedule 2 to this Agreement.


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


6. “Co-financing” means, for purposes of paragraph 11 of the Appendix to the General Conditions, an amount of $94 million equivalent, to be provided by the Co-financier to assist in financing the Project.

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


9. “EBITDA” means earnings before interest, tax, depreciation and amortization, determined in a manner satisfactory to the Association.

10. “Environmental and Social Management Framework” or “ESMF” means the Recipient’s framework entitled “Environmental and Social Management Framework”, disclosed in country on May 27, 2016, and at the Association’s Infoshop on May 27, 2016.

11. “Environmental Management Plan” or “EMP” means an environmental and social management plan for the Project to be prepared and implemented in accordance with the ESMF and pursuant to provisions of Section I.E.1 of Schedule 2 to this Agreement; and “EMPs” means more than one such EMP.
12. "Fiscal Year" means the twelve month period, commencing on January 1st and ending on December 31.

13. "General Conditions" means the "International Development Association General Conditions for Credits and Grants", dated July 31, 2010, with the modifications set forth in Section II of this Appendix.

14. "Greater Dakar" means the Dakar area as defined in the Recipient’s Law no. 2008-14 dated March 18, 2008, amending Law no. 72-02 dated February 1, 1972, entitled "Organization Act of Territorial Administration".

15. "Interconnected Network" means the Recipient’s main electricity grid (transmission and distribution).

16. "Interconnected Network Area" means the geographical areas of the Recipient’s territory which can be supplied with electricity in low and/or medium voltage from the existing main (excluding isolated centers) high and medium voltage grid.

17. "kV" means kilovolt.

18. "Low Income Households" means selected households which shall benefit from electric wiring under Part B.5 of Schedule 1 to this Agreement and selected in accordance with eligibility criteria satisfactory to the Association and set forth in the PIM.


20. "Operating Costs" means the incremental operating expenses incurred by SENELEC, approved by the Bank under each Annual Work Plan, on account of the Project, including utilities and offices supplies, vehicle operation, maintenance and insurance, building and equipment maintenance costs, travel and supervision costs, and per diem, but excluding the salaries of officials and public servants of the Recipient’s civil service.

21. "Original Financing" means the financing provided to the Recipient under the Original Financing Agreement.


23. "Original Project" means the Project described in Schedule 1 to the Original Financing Agreement.
24. “Performance Contract” means the contract to be entered into between the Recipient and SENELEC, setting forth agreed performance targets and indicators for the years 2017-2019.


26. “Permanent Secretariat for Energy” means the secretariat established pursuant to the Recipient’s Inter-ministerial Decree no. 01552 dated February 15, 2011 (as said decree may be amended from time to time), jointly presided by the minister responsible for finance and the minister responsible for energy, with responsibility for overall supervision of the Recipient’s energy sector restructuring and revival plan.

27. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated June 1, 2016, 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.

28. “Project Implementing Entity” means SENELEC.

29. “Project Implementing Entity’s Legislation” means the Recipient’s Law No. 98-06 of January 28, 1998, authorizing SENELEC’s transformation into a corporation, and SENELEC’s Statutes dated 31 mars 1999, as said law and statutes may be amended from time to time.

30. “Project Implementation Manual” means the Recipient’s manual, referred to in Section I.C of the Schedule to the Project Agreement, as the same may be amended from time to time with the prior written agreement of the Association, and such term includes any schedules to said Manual.

31. “Resettlement Action Plan” and “RAP” each means a resettlement action plan to be prepared and implemented in accordance with the RPF and pursuant to provisions of Section I.E.1 of Schedule 2 to this Agreement; and “RAPs” means more than one such RAP.


33. “Safeguard Documents” means any ESMP, RAP, or other supplemental social and environmental safeguard documents as required under the terms of the Safeguard Frameworks.

34. “Safeguard Frameworks” means the ESMF and the RPF.
“Safeguard Instruments” means the Safeguards Frameworks and the Safeguard Documents.

“SENELEC” means “Société Natonale de l’Eléctricité du Sénégal”, the Recipient’s national power utility, established as a corporation (société anonyme à participation publique majoritaire) pursuant to the Project Implementing Entity’s Legislation, and operating under the laws of the Recipient.

“Smart Meter” means an electrical meter that records consumption of electric energy and communicates back to the utility for monitoring and billing purposes.

“Split Pre-paid Meter” means a pre-paid meter comprising two separate parts: (a) a customer interface unit (CIU) constituting the only interface with the meter including access to meter information; and (b) an energy management unit operating independently which contains all critical metering number decryption and load control functionality, and is immune from any tampering through CIU.

“Standard Transfer Specification” and “STS” each means an open industry standard concerning secure message system carrying information between a point-of-sale and a meter, which allows inter-operability between equipment from different suppliers and is widely applied in electricity metering and payment systems.

“Strategic Plan” means SENELEC’s five-year strategic plan to be approved by SENELEC’s board of directors.

“Subsidiary Agreement” means the agreement referred to in Section I.B of Schedule 2 to this Agreement pursuant to which the Recipient shall make the proceeds of the Financing available to the Project Implementing Entity.

“Training” means the reasonable costs, included in the Annual Work Plans, of provision of training to persons under the Project, including seminars, workshops, knowledge sharing activities and study tours, consisting of the following: 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 costs directly related to training preparation and implementation.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. In the Table of Contents, the references to Sections, Section names and Section numbers are modified, as necessary, to reflect the modifications set forth in the paragraphs below.
2. Section 2.07 (Refinancing Preparation Advance) is retitled as "Refinancing Preparation Advance; Capitalizing Front-end Fee", amended by adding a new paragraph (b), and modified to read as follows:

"Section 2.07. Refinancing Preparation Advance; Capitalizing Front-end Fee

(a) If the Financing Agreement provides for the repayment out of the proceeds of the Financing of an advance made by the Bank or the Association ("Preparation Advance"), the Association shall, on behalf of the Recipient, withdraw from the Financing Account on or after the Effective Date the amount required to repay the withdrawn and outstanding balance of the advance as at the date of such withdrawal from the Financing Account and to pay all accrued and unpaid charges, if any, on the advance as at such date. The Association shall pay the amount so withdrawn to itself or the Bank, as the case may be, and shall cancel the remaining unwithdrawn amount of the advance.

(b) Except as otherwise provided in the Financing Agreement, the Association shall, on behalf of the Recipient, withdraw from the Financing Account on or after the Effective Date and pay to itself the amount of the Front-end Fee payable pursuant to Section 3.01 (a)."

3. Section 3.01 (Commitment Charge) is retitled as "Front-end Fee; Commitment Charge", amended by adding a new paragraph, and modified to read as follows:

"Section 3.01. Front-end Fee; Commitment Charge

(a) The Recipient shall pay the Association a front-end fee on the Credit amount at the rate specified in the Financing Agreement (the "Front-end Fee").

(b) The Recipient shall pay the Association a commitment charge on the Unwithdrawn Credit Balance at the rate specified in the Financing Agreement (the "Commitment Charge"). The Commitment Charge shall accrue from a date sixty days after the date of the Financing Agreement to the respective dates on which amounts are withdrawn by the Recipient from the Credit Account or cancelled. The Commitment Charge shall be payable semi-annually in arrears on each Payment Date."

4. Section 3.02 (Service Charge) is retitled as "Interest Charge" and modified to read as follows:

"Section 3.02. Interest Charge

The Recipient shall pay the Association interest on the Withdrawn Credit Balance at the rate specified in the Financing Agreement. Interest shall accrue
from the respective dates on which amounts of the Credit are withdrawn and shall be payable semi-annually in arrears on each Payment Date. Interest Charges shall be computed on the basis of a 360-day year of twelve 30-day months.”

5. Section 3.03 (Repayment of the Credit) is modified by deleting paragraph (b) in its entirety and amending the remaining paragraph (a) to read as follows:

“Section 3.03. Repayment of the Credit

The Recipient shall repay the Withdrawn Credit Balance to the Association in installments as provided in the Financing Agreement.”

6. In the Appendix, Definitions, all relevant references to Sections, numbers and paragraphs are modified, as necessary, to reflect the modifications set forth in paragraphs 1 through 5 above.

7. Paragraph 28 of the Appendix (“Financing Payment”) is modified to read as follows:

“28. “Financing Payment” means any amount payable by the Recipient to the Association pursuant to the Financing Agreement or these General Conditions, including (but not limited to) any amount of the Withdrawn Credit Balance, interest, the Front-end Fee and the Commitment Charge.”

8. A new paragraph 30 is inserted in the Appendix with the following definition of “Front-end Fee”, and the subsequent paragraphs are renumbered accordingly:

“30. “Front-end Fee” means the fee specified in the Financing Agreement for the purpose of Section 3.01 (a).”

9. A new paragraph 33 is inserted in the renumbered Appendix with the following definition of “Interest Charge”, and the subsequent paragraphs are renumbered accordingly:

“33. “Interest Charge” means the interest charge specified in the Financing Agreement for the purpose of Section 3.02.”

10. Renumbered paragraph 38 (originally paragraph 36) of the Appendix (“Payment Date”) is modified by deleting the words “Service Charges” and inserting the words “Interest Charges”.

11. Renumbered paragraph 51 (originally paragraph 49) of the Appendix (“Service Charge”) is deleted in its entirety, and the subsequent paragraphs are renumbered accordingly.
ANNEX

Amendment to the Original Financing Agreement

1. The Closing Date referred to Section IV.B.2 of Schedule 2 to the Original Financing Agreement is hereby extended to October 31, 2020.

2. Schedule 1 of the Original Financing Agreement is amended as follows:

(a) Part A.3 is deleted in its entirety and replaced with the following:

"3. Installation of remotely controlled MV/LV equipment in distribution substations in Greater Dakar."

(b) Part A.4 is deleted in its entirety and replaced with the following:

"4. Extension and densification of the distribution network in the Recipient territory."