Financing Agreement

(Access and Renewable Energy Project)

between

PLURINATIONAL STATE OF BOLIVIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated August 21, 2014
CREDIT NUMBER 5454-BO

FINANCING AGREEMENT

AGREEMENT dated August 21, 2014, entered into between PLURINATIONAL STATE OF BOLIVIA ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

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

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions 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 credit in an amount equivalent to thirty two million four hundred thousand Special Drawing Rights (SDR 32,400,000) (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 Financing in accordance with Section IV of Schedule 2 to this Agreement.

2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.

2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.

2.05. The Interest Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to one and a quarter percent (1.25 %) per annum.

2.06. The Payment Dates are March 15 and September 15 in each year.
2.07. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

2.08. The Payment Currency is Dollar.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient, through the Ministry of Hydrocarbons and Energy (MHE) shall carry out the Project in accordance with the provisions of Article IV of the General Conditions.

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 — EFFECTIVENESS; TERMINATION

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

(a) the Inter-Institutional Agreement with the Gobierno Autónomo Departamental de Chuquisaca has been: (i) executed on behalf of the Recipient and the Gobierno Autónomo Departamental de Chuquisaca; and (ii) duly ratified by the Gobierno Autónomo Departamental de Chuquisaca.

(b) the Inter-Institutional Agreement with the Gobierno Autónomo Departamental de Potosí has been: (i) executed on behalf of the Recipient and the Gobierno Autónomo Departamental de Potosí; and (ii) duly ratified by the Gobierno Autónomo Departamental de Potosí.

(c) The Operational Manual has been adopted by the Recipient, through the MHE.

4.02. The Effectiveness Deadline is the date one hundred eighty (180) days after the date of this Agreement, but in no case later than eighteen (18) months after the Association’s approval of the Credit which expires on November 25, 2015.
4.03. 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 years after the date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Recipient’s Representative is the Minister of Development Planning.

5.02. The Recipient’s Address is:

Ministry of Development Planning
Av. Mariscal Santa Cruz 1092
La Paz, Bolivia

Facsimile:
011-591-2-231-7408 (with a copy to: 011-591-2-239-2891)

5.03. The Association’s Address is:

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

Cable: Telex: Facsimile:
INDEVAS 248423 (MCI) 1-202-477-6391
Washington, D.C.
AGREED at LA PAZ, PLURINATIONAL STATE OF BOLIVIA, as of the day and year first above written.

PLURINATIONAL STATE OF BOLIVIA

By:

Authorized Representative

Name: E. Viviana Caro Hinojosa

MINISTRA DE PLANIFICACIÓN DEL DESARROLLO

Title:

INTERNATIONAL DEVELOPMENT ASSOCIATION

By:

Authorized Representative

Name: Favis Haddad-Zaros

Title: Country Manager
SCHEDULE 1

Project Description

The objective of the Project is to expand access to electricity in the Recipient’s Unserved Areas under a model of electricity access expansion that supports the implementation of the national decentralized framework.

The Project consists of the following parts:

Part I  Electricity Services for Unserved Areas

Carrying out of the following demand-driven investments:

1.  Grid Extension

   (i) Extension of low voltage distribution lines and grid densification, and (ii) extension of medium voltage distribution lines and grid densification, including, if applicable, the provision of small works and goods as in-kind compensation under the relevant resettlement plan referred to in Section I.E.2 of Schedule 2 to this Agreement, all in Unserved Areas.

2.  Individual Solar Photovoltaic Systems

   (a) Installation of solar photovoltaic systems in selected households in Unserved Areas.

   (b) Provision of support for the operation and maintenance of the systems mentioned in (a) above, through the acquisition and utilization of the goods required therefor.


   (a) Installation of solar photovoltaic systems in selected schools, health centers and other public institutions in Unserved Areas.

   (b) Provision of support for the operation and maintenance of the systems mentioned in (a) above, through the acquisition and utilization of the goods required therefor.

Part II  Support to Access and Clean Energy Strategies

Provision of support to the Recipient’s strategies on energy access and clean energy through, inter alia.
(i) Design, installation and evaluation of pilot energy access systems in Unserved Areas through new technologies, including Pico-PV systems; (ii) design and carrying out of training and capacity building activities addressed to Departments, Participating Municipalities, qualified service providers, selected households and public institutions, and other relevant stakeholders, all participating and/or benefitting under Part 1 of the Project; (iii) (A) development of indicators, baselines and methodologies for Project monitoring and evaluation; and (B) carrying out of periodic evaluation of progress toward achieving the Project's result indicators; (iv) design and implementation of communication strategies and other dissemination tools to inform Project stakeholders on the progress achieved during Project implementation; (v) design and carrying out of studies to assess the Recipient's progress in providing access to modern energy services; and (vi) design and carrying out studies on clean energy.

Part. III Project Management

Provision of support to the MHE for the implementation, monitoring and evaluation of the Project, including for the carrying out of Project audits.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall vest the overall responsibility for the implementation, monitoring and supervision of the Project in MHE, and to this end shall, through MHE:

   (a) maintain, throughout Project implementation, a unit ("PCU") with structure, functions and responsibilities acceptable to the Association as set forth in the Operational Manual, including inter alia, the responsibility of the PCU to implement, monitor and supervise the carrying out of the Project (including its financial and procurement aspects);

   (b) ensure that: (i) the PCU is, throughout Project implementation, headed by a Project coordinator, and staffed with adequate professional, fiduciary, administrative and technical personnel (including social and environmental specialists), all with qualifications, experience and terms of employment acceptable to the Association, as set forth in the Operational Manual; and (ii) any additional staff of the PCU financed out of the proceeds of the Credit is selected and hired in accordance with Section III of this Schedule.

B. Other Implementation Arrangements

1. To facilitate the carrying out of Subprojects under the jurisdiction of any given Department, the Recipient, through MHE, shall enter into an agreement with said Department (Inter-Institutional Agreement) under terms and conditions acceptable to the Association, which shall include, inter alia, the obligation of each Department to:

   (a) Take or permit to be taken all actions to enable the Recipient to carry out the Subproject in said Department;

   (b) with regard Grid Extension Subprojects:

      (i) provide the counterpart funds, facilities, services and other resources necessary to carry out the corresponding Grid Extension Subproject, and to operate and maintain the
corresponding Grid Extension Subproject as provided in (iii) below, all as described in the Operational Manual;

(ii) maintain, throughout the implementation of the Grid Extension Subproject, a Project team who shall serve as focal point and be responsible for the day-to-day cooperation with the PCU in respect of Grid Extension Subprojects;

(iii) immediately upon completion of the Grid Extension Subproject as determined by the Recipient and verified by a qualified service provider in accordance with the provisions of the Operational Manual, enter into a contract with a qualified service provider, all under terms and conditions acceptable to the Association ("the Service I Agreement"), which shall include, \textit{inter alia}: (A) the obligation of the qualified service provider to: (aa) undertake the periodic operation and maintenance of the investments under the Grid Electrification Subproject over the contracted period (as defined in the Operational Manual), all in accordance with the provisions of the EMF and in a manner acceptable to the Association; and (bb) take or permit to be taken all actions to enable the Department to comply with its obligation under the pertinent Service I Agreement; and (B) the right of the Department to take remedial actions against the qualified service provider in case said qualified service provider shall have failed to comply with any of its obligations under the corresponding Service I Agreement.

2. The Recipient, through the MHE, shall exercise its rights and carry out its obligations under each Inter-Institutional Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Credit, and, except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, terminate, waive or fail to enforce any Inter-Institutional Agreement or any provisions thereof.

3. Without limitations to the provisions of paragraph 1 of this Section, prior to the implementation of any Photovoltaic Subprojects under the jurisdiction of a Participating Municipality, the Recipient, through MHE, shall enter into an agreement with said Participating Municipality (the "Photovoltaic Subproject Agreement"), under terms and conditions acceptable to the Association, which shall include, \textit{inter alia}, the Participating Municipality’s obligation to:

(a) take or permit to be taken all actions to enable the Recipient to carry out the Photovoltaic Subproject located in said Participating Municipality’s jurisdiction;
(b) provide the counterpart funds, facilities, services and other resources, necessary to carry out the corresponding Photovoltaic Subproject, and to operate and maintain the corresponding Photovoltaic Subproject as provided in (d) below, all as described in the Operational Manual;

(c) maintain, throughout the implementation of the corresponding Photovoltaic Subproject, a Project team who shall serve as focal point and be responsible for the day-to-day cooperation with the PCU for the implementation of said Photovoltaic Subproject; and

(d) immediately upon completion of the Photovoltaic Subproject as determined by the Recipient and verified by a qualified service provider in accordance with the provisions of the Operational Manual, enter into a contract with a qualified service provider, all under terms and conditions acceptable to the Association ("the Service II Agreement"), which shall include, *inter alia*: (i) the obligation of the Participating Municipality to deliver, on behalf of the Recipient, the goods under Parts I. (2) (b) and 3 (b) of the Project to said qualified service provider in a manner acceptable to the Association, if applicable; (ii) the obligation of the qualified service provider to: (A) undertake the periodic operation and maintenance of the Photovoltaic Subproject over the contracted period (as defined in the Operational Manual) in accordance with the provisions of the EMF and Section 4.06 of the General Conditions, all in a manner acceptable to the Association; and (B) take or permit to be taken all actions to enable the Participating Municipality to comply with its obligation under the pertinent Service II Agreement; and (iii) the right of the Participating Municipality to take remedial actions against the qualified service provider in case said qualified service provider shall have failed to comply with any of its obligations under the corresponding Service II Agreement.

4. The Recipient, through the MHE, shall exercise its rights and carry out its obligations under each Photovoltaic Subproject Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Credit, and, except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, terminate, waive or fail to enforce any Photovoltaic Subproject Agreement or any provisions thereof.

C. **Operational Manual**

1. The Recipient shall, through MHE, carry out the Project in accordance with a manual (the Operational Manual), acceptable to the Association, which shall include, *inter alia*: (a) the programming and budgeting, accounting, auditing, reporting, financial, procurement and disbursement procedures of the Project; (b)
a list of the Unserved Areas, Participating Municipalities and Departments; (c) the eligibility criteria and procedures for the selection, approval, carrying out, monitoring and supervision of Subprojects (including a negative list of environmentally sensitive investments ineligible for financing under the Subprojects); (d) the co-financing arrangements for Participating Municipalities under the Photovoltaic Subproject under Part 1.3 of the Project under their respective jurisdiction; (e) the model Service I and Service II Agreements; (f) the organizational structure for implementation of the Project, including the terms of reference and functions of the PCU staff and the procedures to hire additional staff; (g) the Project indicators for the monitoring and evaluation of the Project; and (h) the operational aspects of the EMF, the RPF and the IPPF.

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

D. Anti-Corruption

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

E. Safeguards

1. The Recipient, through MHE, shall: (a) implement the Project in accordance with the Environmental Management Framework (EMF), including the procedures detailed in said EMF for environmental screening, evaluation, implementation and monitoring of the works under the Subprojects, as well as the procedures for the preparation of environmental management plans, when applicable; and (b) implement and/or cause to be implemented the pertinent environmental management plan, in accordance with its terms and in a manner acceptable to the Association.

2. The Recipient, through MHE, shall: (a) implement the Project in accordance with the Resettlement Policy Framework (RPF), including the procedures detailed in said RPF for screening, evaluation, implementation and monitoring of the Project activities; and (b) implement and/or cause to implement the pertinent resettlement action plan in accordance with its terms and in a manner acceptable to the Association.

3. The Recipient, through MHE, shall: (a) implement the Project in accordance with the Indigenous People Planning Framework (IPPF), including the procedures detailed in said IPPF for screening, evaluation, implementation, and monitoring of the Subprojects, as well as procedures for the preparation of indigenous peoples plans, when applicable; and (b) implement the pertinent indigenous peoples plan in accordance with its terms, and in a manner acceptable to the Association.
4. The Recipient shall, through MHE, ensure that the terms of reference for any consultancies related to the technical assistance provided under the Project, shall be acceptable to the Association and, to that end, such terms of reference shall require that the advice conveyed through such technical assistance be consistent with the requirements of the Association’s Safeguard Policies.

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 to the Association. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Association not later than one month 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. The Recipient, through the MHE, shall prepare and furnish to the Association as part of the Project Report, interim unaudited financial reports for the Project covering the semester, in form and substance satisfactory to the Association.

3. The Recipient, through the MHE, shall have the Project 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, or any other period to be agreed with the Association. The audited Financial Statements for each such period shall be furnished to the Association not later than six months after the end of such period.

Section III. Procurement

A. General

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

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

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

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

2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding subject to the additional provisions set forth in Section I of Annex A to this Schedule; (b) Shopping; and (c) Direct Contracting.

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

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

2. **Other Methods of Procurement of Consultants' Services.** The following methods, other than Quality and Cost-based Selection, may be used for procurement of consultants’ services for those contracts which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection Based on the 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.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

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

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing (“Category”), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Credit Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) (a) Goods, works and consultants’ services for the Subprojects to be carried out in the jurisdiction of Gobierno Autónomo Departamental de Potosí, and goods under Parts 1.2 (b) and 3 (b) of the Project</td>
<td>16,500,000</td>
<td>100% of the amount disbursed by the Recipient under the Subprojects</td>
</tr>
<tr>
<td>(b) Goods, works and consultants’ services for the Subprojects to be carried out in the jurisdiction of the Gobierno Autónomo Departamental de Chuquisaca, and goods under Parts 1.2 (b) and 3 (b) of the Project</td>
<td>11,520,000</td>
<td>100% of the amount disbursed by the Recipient under the Subprojects</td>
</tr>
</tbody>
</table>
3. For the purpose of this schedule:

(a) the term “Training” means expenditures (other than those for consultants’ services) incurred by the Recipient to finance the reasonable travel costs (i.e. accommodation, transportation, travel insurance and *per diem, inter alia*) of trainees and trainers (if applicable), training registration fees, catering, rental of training facilities and equipment, logistics and printing services, as well as training materials, all for the purposes of, and directly related to, the training activities described in the Project; and

(b) the term “Operating Costs” means reasonable expenditures (none of which would have been incurred by the Recipient absent the Project), for the implementation, coordination and supervision of the Project, including, *inter alia*, travel costs (i.e. accommodation, transportation, travel insurance, and *per diem*); operation and maintenance of office equipment; rental of offices; office supplies; communication costs; bank charges; utilities; vehicle operation, insurance and maintenance costs; printing and publications (electronic and/or paper); translation services; and such other expenditures as may be agreed upon by the Association.

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement.

2. The Closing Date is December 1, 2021.
Annex A

to

SCHEDULE 2

Additional Provisions Relating to 
Particular Methods of Procurement

Section I.  Goods, Works and Non-Consulting Services

Without limitation upon the provisions of Section III of Schedule 2 to this Agreement or the Procurement Guidelines, the following additional provisions shall apply to all goods, works and non-consulting services procured for the Project and awarded on the basis of National Competitive Bidding procedures (Proceso de Licitación Abierta) set forth in the Recipient's Supreme Decree No. 181, dated June 28, 2009 (Normas Básicas del Sistema de Administración de Bienes y Servicios) as further amended:

1. A merit point system shall not be used in the pre-qualification of bidders.

2. The award of contracts for goods, works and non-consulting services shall be based exclusively on price and, whenever appropriate, shall also take into account factors similar to those referred to in paragraph 2.52 of the Procurement Guidelines, provided, however, that the bid evaluation shall always be based on factors that can be quantified objectively, and the procedure for such quantification shall be disclosed in the invitation to bid.

3. All bids shall be opened at the stipulated time and place in accordance with a procedure acceptable to the Association.

4. The single envelope procedure shall be used.

5. Whenever a discrepancy shall occur between the amounts in figures and the amounts in words of a bid, the amounts in words shall govern.

6. No prescribed minimum number of bids shall be required to be submitted for a contract to be subsequently awarded.

7. Foreign bidders shall be allowed to participate.

8. Foreign bidders shall not be required to legalize any documentation related to their bids with Recipient’s authorities as a prerequisite for bidding.

9. Bidders shall not be required, as condition for submitting their bids, to be registered in the Recipient’s Registro Único de Proveedores del Estado (RUPE).

10. No margin of preference shall be granted for any particular category of bidders.
11. In the event that a bidder whose bid was evaluated as the bid with the lowest evaluated price withdraws its bid, the contract may be awarded to the second lowest responsive evaluated bid.

12. Foreign bidders shall not, as a condition for submitting bids, be required to enter into a joint venture agreement with local bidders.

13. No procurement rules or regulations of neither of the Recipient’s agencies, nor of any state-owned entity shall apply without the prior review and consent of the Association.

14. Recipient state-owned enterprises shall be allowed to participate in bids only upon their compliance with the provisions of paragraph 1.10 (b) of the Procurement Guidelines.

15. No contractor or supplier shall be denied fair and equitable treatment in any resolution of dispute with the Recipient and/or any of its implementing entities.

16. No reference value shall be required for publication in the bidding documents or used for the purpose of evaluation.

17. Bidding documents for NCB shall include anticorruption clauses that shall be substantially identical to those pertaining to the Association Standard Bidding Documents for ICB.

**Section II. Selection of Consultant Services**

Without limitation upon the provisions of Section III of Schedule 2 to this Agreement or the Consultant Guidelines, the following additional provisions shall apply to all consultants’ services procured for the Project and awarded on the basis of National Competitive Bidding procedures (Proceso de Licitación Abierta) set forth in the Recipient's Supreme Decree No. 181, dated June 28, 2009 (Normas Básicas del Sistema de Administración de Bienes y Servicios) as further amended:

1. Consultants shall not be required, as condition for participating in the selection process, to be registered in the Registro Único de Proveedores del Estado (RUPE).

2. Foreign consultants shall not be required, as a condition for participating in the selection process, to enter into a joint venture agreement with local consultants, unless the conditions stated in paragraph 1.15 of the Consultant Guidelines are met.
3. Foreign consultants shall not be required, as a condition for participating in the selection process, to legalize their proposals or any documentation related to such proposals with Recipient’s authorities.

4. Foreign consultants shall not be required to be registered in the Recipient's National Registry of Consultants (Registro Nacional de Consultoría).

5. Consultants, either firms or individuals, shall not be required to present performance securities as a condition to present proposals and sign an award each contract.

6. Consultants, either firms or individuals, shall not be denied fair and equitable treatment in any dispute resolution with the Recipient and/or any of its implementing entities.

7. Consultants, either firms or individuals, shall not be required to sign consultant services contracts containing a retention amount fee clause.

8. Recipient state-owned enterprises shall be allowed to participate in the selection process only upon their compliance with the provisions of paragraph 1.13 (b) of the Consultant Guidelines.
**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 March 15 and September 15:</td>
<td></td>
</tr>
<tr>
<td>commencing September 15, 2019 to and including March 15, 2029</td>
<td>1.65%</td>
</tr>
<tr>
<td>commencing September 15, 2029 to and including March 15, 2039</td>
<td>3.35%</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

Section I. Definitions


2. “Association’s Safeguards Policies” means the Association operational policies and procedures set forth in the Bank’s Operational Manual under OPs/BPs 4.01, 4.04, 4.36, 4.09, 4.11, 4.10, 4.12, 4.37, 7.50 and 7.60, as said manual is published under www.WorldBank.org/opmanual.

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


5. “Departments” means any of the following Recipient’s autonomous departments: the Gobierno Autóctono Departamental de Chuquisaca (Autonomous Departmental Government of Chuquisaca) and/or the Gobierno Autóctono Departamental de Potosí (Autonomous Departmental Government of Potosí), and any other Recipient’s autonomous department as the Recipient and the Association shall agree.

6. “Environmental Management Framework” or “EMF” means the Recipient’s framework dated March 21, 2014 acceptable to the Association and published on the same date which contains, inter alia the environmental protection measures in respect of the Project, including: (a) measures for chance findings of physical cultural property; (b) protection of natural habitats and pest management; (c) guidelines for the identification of existing environmental conditions and potential direct and indirect environmental impacts resulting from the carrying out of the Project (including Subprojects); (d) guidelines for the carrying out of environmental assessments and the preparation of environmental management plans, when applicable; (e) the recommendation of mitigation measures for each negative impact identified; and (f) measures for enhancing each identified positive impact; as said framework may be amended from time to time with the Association’s prior written approval.
7. "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.

8. "Grid Extension Subproject" means any investment under Part 1.1 of the Project selected in accordance with the criteria and procedures set forth in the Operational Manual, including, if applicable, the in-kind compensation referred to in said Part of the Project.

9. "Indigenous People Policy Framework" or "IPPF" means the Recipient’s indigenous peoples framework dated March 20, 2014, acceptable to the Association, and published on the same date, which contains, inter alia: (a) a plan for carrying out the social assessment for Subprojects; (b) the potential positive and adverse effects of Subprojects on indigenous peoples; (c) a framework for ensuring free, prior, and informed consultation with the affected indigenous peoples’ communities at each stage of Subproject preparation and implementation; (d) institutional arrangements (including capacity building where necessary) for screening Subprojects, evaluating their effects on indigenous peoples, preparing indigenous peoples plans, as needed, and addressing any grievances; (e) monitoring and reporting arrangements; and (f) disclosure arrangements for indigenous peoples plans to be prepared under the IPPF, as needed; as said framework may be amended from time to time with the Association’s prior written approval.

10. “Inter-Institutional Agreement” means any of the agreements referred to in Section I.B.1 of Schedule 2 to this Agreement. Inter-Institutional Agreements means collectively, each of the Inter-Institutional Agreements.

11. "Ministry of Hydrocarbons and Energy" or "MHE" means the Recipient’s Ministry of Hydrocarbons and Energy, and any of its successor or successors thereto.

12. “Operational Manual” means the MHE’s manual referred to in Section I.C of Schedule 2 to this Agreement, as the same may be amended from time to time with the prior written approval of the Association.

13. “Participating Municipality” means any of the municipalities which has been selected to participate in the implementation of Photovoltaic Subprojects in accordance with the provisions of the Operational Manual.

14. “PCU” means the unit referred to in Section I.A.1 of Schedule 2 to this Agreement.
15. “Photovoltaic Subprojects” means any investment under Parts I.2 (a) and 3 (a) of the Project selected in accordance with the criteria and procedures set forth in the Operational Manual.

16. “Photovoltaic Subproject Agreement” means any of the agreements referred to in Section I.B.3 of Schedule 2 to this Agreement.

17. “Pico PV” means portable Photo Voltaic (PV) systems which offer basic lighting and communication services such as battery charging and radios.


19. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated April 9, 2014 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.

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

21. “Resettlement Policy Framework” or “RPF” means the Recipient’s framework dated March 20, 2014 acceptable to the Association, and published on the same date, outlining general implementation procedures, mitigation measures and monitoring procedures for Resettlement under the Project, including the procedures for preparation and implementation of resettlement plans, when applicable, as said framework may be amended from time to time with the Association’s prior written approval.

22. “Service I Agreement” means any of the agreements referred to in Section I.B.1 (b) (iii) of Schedule 2 to this Agreement.

23. “Service II Agreement” means any of the agreements referred to in Section I.B.3 (d) of Schedule 2 to this Agreement.

24. “Subproject” means a Grid Extension Subproject and/or a Photovoltaic Subproject, all selected in accordance with the criteria and procedures set forth in the Operational Manual.
25. “Unserved Areas” means any rural and/or peri-urban area within the Recipient’s territory selected in accordance with the criteria and procedures set forth in the Operational Manual to benefit under the Project.

Section II. Modifications to the General Conditions

The modifications to the General Conditions are as follows:

1. Section 3.02 is modified to read as follows:

“Section 3.02. Service Charge and Interest Charge

(a) Service Charge. The Recipient shall pay the Association a service charge on the Withdrawn Credit Balance at the rate specified in the Financing Agreement. The Service Charge 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. Service Charges shall be computed on the basis of a 360-day year of twelve 30-day months.

(b) 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 shall be computed on the basis of a 360-day year of twelve 30-day months.”

2. Paragraph 28 of the Appendix (“Financing Payment”) is modified by inserting the words “the Interest Charge” between the words “the Service Charge” and “the Commitment Charge”.

3. The Appendix is modified by inserting a new paragraph 32 with the following definition of “Interest Charge”, and renumbering the remaining paragraphs accordingly:

“32. “Interest Charge” means the interest charge specified in the Financing Agreement for the purpose of Section 3.02(b).”

4. Renumbered paragraph 37 (originally paragraph 36) of the Appendix (“Payment Date”) is modified by inserting the words “Interest Charges” between the words “Service Charges” and “Commitment Charges”.

5. Renumbered paragraph 50 (originally paragraph 49) of the Appendix (“Service Charge”) is modified by replacing the reference to Section 3.02 with Section 3.02 (a).