Loan Agreement

(Judicial Services and Smart Infrastructure Project)

between

REPUBLIC OF AZERBAIJAN

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated October 22, 2014
LOAN AGREEMENT

Agreement dated October 22, 2014, between the REPUBLIC OF AZERBAIJAN ("Borrower") and the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank"). The Borrower and the Bank hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

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

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

ARTICLE II — LOAN

2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, one hundred million United States Dollars ($100,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.07 of this Agreement ("Loan"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").

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

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

2.04. The interest payable by the Borrower for each Interest Period shall be at a rate equal to the Reference Rate for the Loan Currency plus the Fixed Spread; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02 (e) of the General Conditions.
2.05. The Payment Dates are June 15 and December 15 in each year.

2.06. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.

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

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

(c) Promptly following the Execution Date for an Interest Rate Cap or Interest Rate Collar for which the Borrower has requested that the premium be paid out of the proceeds of the Loan, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and pay to itself the amounts required to pay any premium payable in accordance with Section 4.05 (c) of the General Conditions up to the amount allocated from time to time for the purpose in the table in Section IV of Schedule 2 to this Agreement.

ARTICLE III — PROJECT

3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall carry out the Project through the Judicial Modernization Team within the Ministry of Justice in accordance with the provisions of Article V of the General Conditions.
3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE BANK

4.01. The Additional Event of Suspension consists of, namely that: (a) the Presidential Decree No. 268 dated February 13, 2014; and (b) the Ministerial Decree No. 12S of the Ministry of Justice, dated February 4, 2006, have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Judicial Modernization Team and/or the Ministry of Justice to perform any of their respective obligations in carrying out the Project.

4.02. The Additional Events of Acceleration consists of, namely that the event specified in Section 4.01 of this Agreement occurs and is continuing for a period of ninety (90) days after notice of the event has been given by the Bank to the Borrower.

ARTICLE V — TERMINATION

5.01. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Borrower’s Representative is its Minister of Finance.

6.02. The Borrower’s Address is:

Ministry of Finance
83 Samed Vurgun Street
Baku AZ1022
Republic of Azerbaijan

Telex: Facsimile:

142116 BNKSL  99412 4044720
99412 4044721
6.03. The Bank's Address is:

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

Cable address: Telex: Facsimile:

INTBAFRAD 248423(MCI) or 1-202-477-6391
Washington, D.C. 64145(MCI)

AGREED at Baku, Republic of Azerbaijan, as of the day and year first above written.

REPUBLIC OF AZERBAIJAN

By

[Signature]
Authorized Representative

Name: Fikrat Farrukh Mammadov
Title: Minister of Justice

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By

[Signature]
Authorized Representative

Name: Larisa Lezhchenko
Title: Country Manager
SCHEDULE 1

Project Description

The objective of the Project is to improve the access, transparency and efficiency of delivery of selected justice services.

Part A: Judicial Service Delivery Improvements

1. Improving access to justice through: (a) piloting innovative, participatory and more efficient ways to provide legal aid services to the vulnerable and marginalized through the provision of goods, consultants’ services and Training to the Ministry of Justice; and (b) analytic and diagnostic studies focusing on: (i) the legal aid system, in particular for vulnerable groups; (ii) the development of alternative dispute resolution systems; (iii) the policies and institutional arrangements on access to justice particularly for vulnerable groups and on gender issues related to justice; and (iv) the development of specific interventions to support access to justice for the Internally Displaced Persons, refugees and other vulnerable groups through the provision of consultants’ services and Training.

2. Expanding the provision of electronic access to selected justice services through: (a) the development and rollout of selected justice e-services; (b) the improvement of the infrastructure for the justice sector information and communications technology; and (c) the construction of a data center and the rehabilitation and upgrading of a facility for disaster recovery center, through the provision of goods, consultants’ services and Training and the carrying out of works.

Part B: Strengthening Institutional Capacity, Efficiency and Monitoring and Evaluation

1. Improving justice sector performance through, inter alia: (a) a sector efficiency and expenditure review including analyses of court case backlogs, efficiency, justice system revenues; (b) strengthening justice sector monitoring and evaluation capacity and quality including through the development of a justice sector performance monitoring framework and performance indicators and the preparation of a strategy and action plan to improve such capacity; (c) strengthening sector capacity to undertake and apply poverty and social impact analysis to improve service delivery to economically and socially vulnerable groups such as Internally Displaced Persons; and (d) the carrying out of periodic surveys of, inter alia, court users, lawyers, judges, court staff, notaries, and other justice sector service providers all through the provision of goods, consultants’ services and Training.
2. Strengthening the information systems management and operational capability of the Ministry of Justice to support the provision of selected justice services through the provision of goods, consultants’ services and Training.

3. Carrying out communications, outreach and change management activities aimed at facilitating stakeholder engagement in the justice sector reforms, including but not limited to: (a) the development and implementation of a communications, outreach and change management strategy; and (b) the conduct of stakeholder workshops, roundtables, public awareness campaigns, radio, television and print media/internet programs, all through the provision of consultants’ services and Training.

4. Strengthening the professional capacity of judges, staff of courts and the Ministry of Justice and the Justice Academy through, inter alia: (a) the preparation of a justice sector gender strategy and action plan based on an assessment of gender-based barriers to employment for judges, lawyers and other justice professionals and an analysis of training and sensitization needs on gender issues for justice professionals; (b) the development of training courses and curricula and the delivery of training for judges and other justice professionals aimed at, but not limited, to improving the quality of judicial decisions in economic and commercial disputes and in first-instance courts; and (c) the carrying out of knowledge-sharing activities between judges and other justice sector professionals in Azerbaijan and between Azerbaijan and other judiciaries, justice training institutions and professional networks, through the provision of goods, consultants’ services and Training.

Part C: Expansion and Modernization of Justice Infrastructure

Construction and rehabilitation of about six courthouses and court complexes at the locations selected in accordance with criteria set forth in the Operational Manual through the carrying out of works and the provision of goods, consultants’ services and Training.

Part D: Project Management and Coordination

Strengthening the capacity of the Ministry of Justice in Project management, monitoring and coordination including audits of: (1) Project financial statements, (2) environmental and social safeguard compliance; and (3) implementation of information and communications technology activities under the Project, all through the provision of goods, consultants’ services, and Training, and financing of Incremental Operating Costs.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Borrower shall vest the overall responsibility for the implementation of the Project in the JMT and shall maintain the JMT, at all times during Project implementation, with resources and responsibilities acceptable to the Bank, and with competent staff in adequate numbers. The Borrower shall ensure that the JMT shall carry out the Project in accordance with the Operational Manual and, except as the Bank shall otherwise agree, shall not amend, suspend, abrogate, repeal or waive any provision of said Manual without the prior written approval of the Bank.

2. The Borrower, through the MOJ, shall retain a chief information and technology officer within the JMT with responsibilities acceptable to the Bank.

3. The Borrower, through the MOJ, shall establish by not later than January 1, 2016, and thereafter maintain an information technology department in the MOJ, with resources and responsibilities acceptable to the Bank, and with competent staff in adequate numbers.

B. Anti-Corruption

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

C. Safeguards

1. The Borrower shall ensure that the Project is carried out in accordance with the EMP and RPF, and shall ensure that all measures necessary for the carrying out of the EMP and RPF shall be taken in a timely manner. Except as the Bank shall otherwise agree, the Borrower shall not assign, amend, abrogate or waive the EMP and/or RPF.

2. Prior to the commencement of works for each proposed site, the Borrower shall ensure that: (a) the related Site-specific EMPs are prepared in accordance with the EMP; (b) the proposed design and site for said works incorporate the provisions of Site-specific EMPs; (c) the provisions of said Site-specific EMPs are adequately included in the proposed contract for said works; and (d) such works are carried out in accordance with the respective Site-specific EMPs. The Bank shall conduct a post-review of the documentation related to the design,
contracts and Site-specific EMPs for selected works and field visits of such selected works as part of regular Project supervision.

3. The Borrower shall ensure that the RAPs: (a) shall be prepared in a manner satisfactory to the Bank in accordance with the RPF prior to commencement of any activities for the areas where physical relocation, land acquisition and/or loss of income due to the Project activities have been identified, and; (b) shall be carried out in a timely manner, satisfactory to the Bank. In the event that land acquisition or resettlement is required for the purposes of carrying out activities under the Project, the Borrower shall:

(a) notify the Bank or ensure that the Ministry of Justice notifies the Bank, of any intended acquisition of land or resettlement, in whole or in part, and of each Resettlement Action Plan (if any) prepared in accordance with the Resettlement Policy Framework; of any of the following: residences, agricultural holdings, commercial structures and businesses, land used by people without claim to legal title, and persons affected by Project activities;

(b) disclose, or ensure that the Ministry of Justice discloses, the Resettlement Policy Framework and each Resettlement Action Plan (if any) prepared under the Project and all relevant information relating thereto in a manner satisfactory to the Bank no less than sixty (60) days prior to carrying out any land acquisition or resettlement; and

(c) ensure that the Ministry of Justice causes all land acquisition and resettlement under the Project to be undertaken in accordance with the provisions and procedures contained in the Resettlement Policy Framework and the respective Resettlement Action Plans, and that all relevant information is adequately provided to all affected persons, and potentially affected persons, in a timely and adequate manner.

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

The Borrower shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of indicators acceptable to the Bank. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Bank not later than one month after the end of the period covered by such report.
B. Financial Management, Financial Reports and Audits

1. The Borrower shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.

2. The Borrower shall prepare and furnish to the Bank not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Bank.

3. The Borrower shall have its Financial Statements audited in accordance with the provisions of Section 5.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Borrower. The audited Financial Statements for each such period shall be furnished to the Bank 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 Loan shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. Consultants' Services. All consultants' services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines and with the provisions of this Section.

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

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

1. International Competitive Bidding. Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. Other Methods of Procurement of Goods, Works and Non-consulting Services. The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) National Competitive Bidding, subject to the following additional provisions:</td>
</tr>
<tr>
<td>(i) there shall be no eligibility restrictions based on nationality of bidder;</td>
</tr>
<tr>
<td>(ii) entities in which the State or a State official owns a shareholding of whatever size shall not be invited to participate in tenders for the Government unless they are and can be shown to be legally and financially autonomous and they operate under commercial law;</td>
</tr>
<tr>
<td>(iii) no national preferences may be applied on the basis of the origin of products or labor;</td>
</tr>
<tr>
<td>(iv) joint venture partners shall be jointly and severally liable for their obligations;</td>
</tr>
<tr>
<td>(v) no “participation fee” shall be required of bidders for the purchase of bidding documents. The only charge shall be equivalent to the cost of producing (copying) the bidding documents;</td>
</tr>
<tr>
<td>(vi) in the evaluation of bids, bids may not be rejected where they differ substantially from the estimated prices calculated by the procuring entity, except where the bid prices exceed the available budget;</td>
</tr>
<tr>
<td>(vii) rebidding shall not be carried out without prior approval of the Bank;</td>
</tr>
<tr>
<td>(viii) works contracts of more than eighteen (18) months’ duration shall include appropriate price adjustment provisions;</td>
</tr>
<tr>
<td>(ix) prior approval of the Bank shall be required for any modification in the contract scope and conditions during implementation; and</td>
</tr>
<tr>
<td>(x) standard bidding documents approved by the Bank shall be used.</td>
</tr>
<tr>
<td>(b) Shopping</td>
</tr>
</tbody>
</table>
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) Selection of UNICEF, UNDP and UNODC; (f) Single-source Selection of consulting firms; and (g) Single-source procedures for the Selection of Individual Consultants.

D. Review by the Bank of Procurement Decisions

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

Section IV. Withdrawal of Loan Proceeds

A. General

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

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

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be financed (net of VAT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works and non-consulting services for the Project</td>
<td>65,734,738</td>
<td>49%</td>
</tr>
<tr>
<td>(2) Consultants' services including audits, Training and Incremental Operating Costs for the Project</td>
<td>31,340,359</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Unallocated</td>
<td>2,674,903</td>
<td></td>
</tr>
<tr>
<td>(4) Front-end Fee</td>
<td>250,000</td>
<td>Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions</td>
</tr>
<tr>
<td>(5) Interest Rate Cap or Interest Rate Collar premium</td>
<td>0</td>
<td>Amount due pursuant to Section 2.07(c) of this Agreement</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>100,000,000</strong></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 from the Loan Account for payments made prior to the date of this Agreement.

2. The Closing Date is December 31, 2018.
SCHEDULE 3

Amortization Schedule

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

<table>
<thead>
<tr>
<th>Principal Payment Date</th>
<th>Installment Share (Expressed as a Percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 15, 2017</td>
<td>3.09%</td>
</tr>
<tr>
<td>June 15, 2018</td>
<td>3.17%</td>
</tr>
<tr>
<td>December 15, 2018</td>
<td>3.25%</td>
</tr>
<tr>
<td>June 15, 2019</td>
<td>3.33%</td>
</tr>
<tr>
<td>December 15, 2019</td>
<td>3.41%</td>
</tr>
<tr>
<td>June 15, 2020</td>
<td>3.50%</td>
</tr>
<tr>
<td>December 15, 2020</td>
<td>3.58%</td>
</tr>
<tr>
<td>June 15, 2021</td>
<td>3.67%</td>
</tr>
<tr>
<td>December 15, 2021</td>
<td>3.77%</td>
</tr>
<tr>
<td>June 15, 2022</td>
<td>3.86%</td>
</tr>
<tr>
<td>December 15, 2022</td>
<td>3.96%</td>
</tr>
<tr>
<td>June 15, 2023</td>
<td>4.05%</td>
</tr>
<tr>
<td>December 15, 2023</td>
<td>4.16%</td>
</tr>
<tr>
<td>June 15, 2024</td>
<td>4.26%</td>
</tr>
<tr>
<td>December 15, 2024</td>
<td>4.37%</td>
</tr>
<tr>
<td>June 15, 2025</td>
<td>4.48%</td>
</tr>
<tr>
<td>December 15, 2025</td>
<td>4.59%</td>
</tr>
<tr>
<td>June 15, 2026</td>
<td>4.70%</td>
</tr>
<tr>
<td>December 15, 2026</td>
<td>4.82%</td>
</tr>
<tr>
<td>June 15, 2027</td>
<td>4.94%</td>
</tr>
<tr>
<td>December 15, 2027</td>
<td>5.06%</td>
</tr>
<tr>
<td>June 15, 2028</td>
<td>5.19%</td>
</tr>
<tr>
<td>December 15, 2028</td>
<td>5.32%</td>
</tr>
<tr>
<td>June 15, 2029</td>
<td>5.47%</td>
</tr>
</tbody>
</table>
2. If the proceeds of the Loan have not been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:

   (a) To the extent that any proceeds of the Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.

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

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

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

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

Definitions


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


4. "Environmental Management Plan" or "EMP" means the Borrower’s Environmental Management Plan satisfactory to the Bank dated December 3, 2013, which contains the guidelines for the carrying out of environmental assessments and for the preparation and implementation of Site-specific EMP(s), as well as the environmental protection measures in respect of the Project, including chance finding of cultural property and potential direct and indirect environmental impacts from the carrying out of the Project, recommendation of mitigation measures for each negative impact identified, as well as measures for enhancing each identified positive impact, all in a manner acceptable to the Bank.


6. "Incremental Operating Costs" means incremental expenses incurred by the MOJ on account of Project implementation, including bank charges, communications, office supplies, vehicle operation and maintenance costs, office equipment maintenance and repair, fuel, publication of procurement and other project-related notices, printing, translation/interpretation, travel costs and such other expenditures as may be agreed upon and included in an annual Project budget agreed with the Bank, but excluding salaries and allowances of officials and employees of the Borrower.

7. "Internally Displaced Persons" means the persons or groups of persons who have been forced or obliged to flee or to leave their homes or places of habitual residence, in particular as a result of or in order to avoid the effects of armed conflict, situations of generalized violence, violations of human rights or natural or human-made disasters, and who have not crossed an internationally recognized state border.
8. "JMT" means the Judicial Modernization Team established within the Ministry of Justice of the Borrower, through the Ministerial Decree No. 12-S, on February 4, 2006, acting as the coordinator and responsible entity for the implementation of the Project.

9. "Justice Academy" means the Borrower’s institution established by virtue of Presidential Decree No 446, dated August 17, 2006 related to the Development of Justice Bodies.

10. "Ministry of Justice" or "MOJ" means the Borrower’s Ministry of Justice or any successor thereto.


12. "Procurement Plan" means the Borrower’s procurement plan for the Project, dated April 21, 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.

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

14. "Resettlement Action Plan" or "RAP" means a site-specific resettlement action plan satisfactory to the Bank prepared or to be prepared under the Project in accordance with the RPF describing a program of actions, measures and policies for compensation of persons, including compensation arrangements, budget and cost estimates, and sources of funding, together with adequate institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with its terms for each site.

15. "Resettlement Policy Framework" or "RPF" means the Borrower’s policy framework for Resettlement satisfactory to the Bank dated December 3, 2013, which contains the procedures and guidelines for the preparation, adoption, implementation and monitoring of a Resettlement Action Plan, all in a manner acceptable to the Bank.
16. "Site-specific EMP(s)" means the Borrower’s site-specific environmental management plan(s), acceptable to the Bank, prepared or to be prepared by the Borrower during the Project implementation in accordance with the EMP and approved by the Bank, describing environmental mitigation, monitoring and institutional measures for selected road sections under the Project.

17. "Training" means expenses incurred by the Borrower in connection with carrying out training activities under the Project, including travel costs and per diem for local trainees and trainers, study tours, workshops, conferences, rental of facilities and equipment and training materials and related supplies.

