Loan Agreement

(Additional Financing for the Montenegro Energy Efficiency Project)

between

MONTENEGRO

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated December 27, 2013
LOAN AGREEMENT

Agreement dated December 27, 2013, between MONTENEGRO ("Borrower") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank") for the purpose of providing additional financing for the Original Project (as defined in the Appendix to this Agreement). The Borrower and the Bank hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

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

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

ARTICLE II — LOAN

2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of five million Euro (EUR 5,000,000), 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 Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be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 May 15 and November 15 in each year.

2.06. The principal amount of the Loan shall be repaid in accordance with the provisions of 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 MOE and MOH 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 Schedules 2 and 4 to this Agreement.

**ARTICLE IV — EFFECTIVENESS; TERMINATION**

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

**ARTICLE V — REPRESENTATIVE; ADDRESSES**

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

5.02. The Borrower’s Address is:

Ministry of Finance  
Stanka Dragojevica 2  
81000 Podgorica  
Montenegro

Facsimile:  
382 20 224 450

5.03. The Bank’s Address is:

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

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

Montenegro

By

Authorized Representative

Name: Radose Zugic

Title: MINISTER OF FINANCE

International Bank for Reconstruction and Development

By

Authorized Representative

Name: Goran Tinjic

Title: ACTING COUNTRY MANAGER
SCHEDULE 1

Project Description

The project development objective is to improve energy efficiency performance in public sector buildings to provide a demonstrated basis to improve energy efficiency implementation practices and capacity in public institutions and energy efficiency service providers in Montenegro.

The Project consists of the Original Project, modified to read as follows:

Part A. Energy Efficiency Improvement in Public Sector Buildings

Implementing a program of demonstrable energy savings measures, through the carrying out of civil works and the provision of goods and consultants’ services, to support energy efficiency retrofitting in selected public sector buildings such as hospitals, clinics and facilities for health care.

Part B. Support to the Implementation of the Project

(a) Support to the Project Steering Committee, the Project coordinator and the TSU in the implementation, monitoring and evaluation of the Project, through the provision of goods, consultants’ services and training, the carrying out of audits required under the Project and the financing of Operating Costs; (b) the carrying out of surveys and energy audits; and (c) support to MOH, through the provision of consultants’ services, for the design, procurement and implementation of energy savings measures under the Project.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Borrower shall, throughout the duration of the Project, maintain the Project Steering Committee with a composition and terms of reference acceptable to the Bank. The Project Steering Committee, which shall be headed by MOE, shall be responsible for overall Project implementation oversight and coordination and for preparing Project Reports.

2. For purposes of Part A of the Project, MOH shall maintain an investment and Project implementation staff, supported as necessary by consultants, with qualifications and terms of reference acceptable to the Bank, responsible for preparing, designing and implementing energy efficiency measures in hospitals, clinics and facilities for health care, and for coordinating with the Project Steering Committee.

3. The Borrower shall maintain, throughout the duration of the Project, a Project coordinator with qualifications and terms of reference acceptable to the Bank. The Project coordinator, which shall be assigned to MOE’s energy efficiency unit, shall be responsible for supporting the Project Steering Committee and MOH in the implementation, coordination, monitoring and evaluation of the Project, and for coordinating with the Project Steering Committee and the TSU.

4. The TSU shall be responsible for procurement, disbursement and financial management of the Project under arrangements satisfactory to the Bank, in accordance with the provisions of this Agreement and the Procurement Plan and, to this end, the Borrower shall maintain, adequately fund and staff the TSU with qualifications and terms of reference acceptable to the Bank.

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 carry out the Project in accordance with the Environmental Management Framework, and shall not amend, suspend, abrogate, repeal or waive any provision of said Framework without prior written approval of the Bank.
2. The Borrower shall ensure that no works under Part A of the Project involve the involuntary taking of land resulting in relocation or loss of shelter, loss of assets or access to assets, loss of income sources or means of livelihood, or involving the involuntary restriction of access to legally designated parks and protected areas according to the Bank’s policy on “Involuntary Resettlement”.

3. For purposes of Part A of the Project and prior to the commencement of any energy savings measures for each proposed site, the Borrower shall: (a) submit to the Bank for its approval, the proposed site for said measures and the related site-specific environmental management plan and checklist, said site-specific plan and checklist to be in form and substance satisfactory to the Bank and to be duly included in the proposed contracts for said measures; and (b) ensure that such measures are carried out in accordance with the Environmental Management Framework.

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

1. The Borrower shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of indicators agreed with the Bank. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Bank not later than one (1) 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. Without limitation on the provisions of Part A of this Section, 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 (1) fiscal year of the Borrower. The audited Financial Statements for each such period shall be furnished to the Bank 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 Loan shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

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

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

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

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

2. Other Methods of Procurement of Goods, Works and Non-consulting Services. The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding, subject to the additional provisions set forth in Schedule 4 to this Agreement; (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) (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 for competitive Selection of Individual Consultants; 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 EUR)</th>
<th>Percentage of Expenditures to be financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services,</td>
<td>4,777,500</td>
<td>100%</td>
</tr>
<tr>
<td>consultants’ services and Training for the</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) Operating Costs</td>
<td>210,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Front-end Fee</td>
<td>12,500</td>
<td>Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions</td>
</tr>
<tr>
<td>(4) Interest Rate Cap or Interest Rate Collar</td>
<td>0</td>
<td>Amount due pursuant to Section 2.07(c) of this Agreement</td>
</tr>
<tr>
<td>premium</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

TOTAL AMOUNT: 5,000,000

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 March 30, 2017.
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>May 15, 2019</td>
<td>3.72%</td>
</tr>
<tr>
<td>November 15, 2019</td>
<td>3.83%</td>
</tr>
<tr>
<td>May 15, 2020</td>
<td>3.95%</td>
</tr>
<tr>
<td>November 15, 2020</td>
<td>4.07%</td>
</tr>
<tr>
<td>May 15, 2021</td>
<td>4.19%</td>
</tr>
<tr>
<td>November 15, 2021</td>
<td>4.31%</td>
</tr>
<tr>
<td>May 15, 2022</td>
<td>4.44%</td>
</tr>
<tr>
<td>November 15, 2022</td>
<td>4.58%</td>
</tr>
<tr>
<td>May 15, 2023</td>
<td>4.71%</td>
</tr>
<tr>
<td>November 15, 2023</td>
<td>4.85%</td>
</tr>
<tr>
<td>May 15, 2024</td>
<td>5.00%</td>
</tr>
<tr>
<td>November 15, 2024</td>
<td>5.15%</td>
</tr>
<tr>
<td>May 15, 2025</td>
<td>5.30%</td>
</tr>
<tr>
<td>November 15, 2025</td>
<td>5.46%</td>
</tr>
<tr>
<td>May 15, 2026</td>
<td>5.63%</td>
</tr>
<tr>
<td>November 15, 2026</td>
<td>5.80%</td>
</tr>
<tr>
<td>May 15, 2027</td>
<td>5.97%</td>
</tr>
<tr>
<td>November 15, 2027</td>
<td>6.15%</td>
</tr>
<tr>
<td>May 15, 2028</td>
<td>6.33%</td>
</tr>
<tr>
<td>November 15, 2028</td>
<td>6.56%</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.
SCHEDULE 4

Additional Procedures for National Competitive Bidding

(i) **Registration**: (a) bidding shall not be restricted to pre-registered firms; (b) where registration is required, bidders: (i) shall be allowed a reasonable time to complete the registration process; and (ii) shall not be denied registration for reasons unrelated to their capability and resources to successfully perform the contract, which shall be verified through post-qualification.

(ii) **Eligibility**: foreign bidders shall not be precluded from bidding, and no preference of any kind shall be given to national bidders.

(iii) **Procedures**: “Open procedures” shall be followed in all cases. Invitations to bid shall be advertised in at least one widely circulated national daily newspaper, allowing a minimum of thirty (30) days for the preparation and submission of bids.

(iv) **Pre-qualification**: when pre-qualification shall be required for large or complex works, invitations to pre-qualify for bidding shall be advertised in at least one (1) widely circulated national daily newspaper a minimum of thirty (30) days prior to the deadline for the submission of pre-qualification applications. Minimum experience, technical and financial requirements shall be explicitly stated in the pre-qualification documents.

(v) **Participation by government-owned enterprises**: government-owned enterprises in Montenegro shall be eligible to participate in bidding only if they can establish that they are legally and financially autonomous, operate under commercial law and are not a dependent agency of the government. Such enterprises shall be subject to the same bid and performance security requirements as other bidders.

(vi) **Bidding documents**: procuring entities shall use the appropriate standard bidding documents for the procurement of works which shall contain draft contract and conditions of contract, satisfactory to the Bank.

(vii) **Submission of bids**: bidders may, at their option, deliver bids either in person, by courier service, or by mail at any time prior to the deadline set the submission of bids.

(viii) **Bid opening and bid evaluation**: bids shall be opened in public and, if two envelopes are submitted for technical and price components, both shall be opened simultaneously. The time for the bid opening shall be the same as for the deadline for receipt of bids or immediately thereafter, and shall be announced, together with the place for bid opening, in the solicitation documents. Evaluation
of bids shall be made in strict adherence to the monetarily quantifiable criteria declared in the bidding documents. Extension of bid validity shall be allowed once only for not more than thirty (30) days. No further extensions should be requested without the prior approval of the Bank. Contracts shall be awarded to qualified bidders having submitted the lowest evaluated substantially responsive bid. Negotiations shall not be allowed with the lowest evaluated bidder or any other bidder.

(ix) **Price adjustment**: civil works contracts of long duration (e.g. more than eighteen (18) months) shall contain an appropriate price adjustment clause.

(x) **Rejection of bids**: all bids shall not be rejected and new bids solicited without the Bank’s prior concurrence.

(xi) **Contracts**: all contracts shall be in writing, signed and stamped by authorized signatories of the purchaser and the supplier, and shall contain identical terms and conditions of contract to those included in the tender documents.

(xii) **Securities**: bid securities shall not exceed two percent (2%) of the estimated cost of the contract; performance securities shall not exceed ten percent (10%). No advance payments shall be made to contractors without a suitable advance payment security. The wording of all such securities shall be included into the bidding documents and be acceptable to the Bank.

(xiii) **Right to inspect and audit**: in accordance with the Procurement Guidelines, each bidding document and contract financed out of the proceeds of the Loan shall provide that bidders, suppliers and contractors, and their subcontracts, agents, personnel, consultants, service providers, or suppliers, shall permit the Bank to inspect all accounts, records, and other documents relating to the submission of bids and contract performance, and to have them audited by auditors appointed by the Bank. Acts intended to materially impede the exercise of the Bank’s inspection and audit rights provided for in the Procurement Guidelines constitute an obstructive practice as defined in the Guidelines.

(xiv) **Fraud and Corruption**: The bidding document and contract as deemed acceptable by the Bank shall include provisions stating the Bank’s policy to sanction firms or individuals, found to have engaged in fraud and corruption as defined in the Procurement Guidelines.
APPENDIX

Definitions


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


4. “Environmental Management Framework” means the framework dated July 25, 2008, prepared and adopted by the Borrower for the Original Project and satisfactory to the Bank, consisting of the set of mitigation, monitoring, and institutional measures required for the Project and to be taken to eliminate adverse environmental and social impacts, offset them, or reduce them to acceptable levels, as well as actions needed to implement said measures, including the measures and information required for the preparation of site-specific environmental management plans and checklists referred to in paragraph C.3, Section I of Schedule 2 to this Agreement.


6. “MOE” means the Borrower’s Ministry for Economy and includes any successor thereto.

7. “MOF” or “Ministry of Finance” means the Borrower’s Ministry of Finance and includes any successor thereto.

8. “MOH” means the Borrower’s Ministry of Health and includes any successor thereto.

9. “Operating Costs” means the incremental expenses incurred by the Project Steering Committee, the Project coordinator and the TSU on account of Project implementation, including the costs of translation, communication, printing and supplies, local travel costs and field trip expenses and fees paid to the consultant hired for purposes of Project coordination, other than civil servants’ salaries.
10. “Original Loan Agreement” means the loan agreement for the Montenegro Energy Efficiency Project (Loan Number 7637-ME) between the Borrower and the Bank, dated December 30, 2008 as amended to the date of this Agreement.

11. “Original Project” means the Project described in the Original Loan Agreement.


13. “Procurement Plan” means the Borrower’s procurement plan for the Project, dated June 28, 2013 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

14. “Project Steering Committee” means the Project steering committee established pursuant to the Borrower’s decision dated September 22, 2008, and maintained by the Borrower in accordance with paragraph A.1, Section I of Schedule 2 to this Agreement, and comprising representatives of MOE and MOH and the Project coordinator.

15. “Training” means reasonable expenditures (other than those for consultants’ services), as approved by the Bank, incurred for the carrying out of training activities under the Project, including, inter alia, reasonable costs of travel and per diem of trainers and trainees, cost of workshops, rental of training facilities and equipment and training materials.

16. “TSU” means the Technical Services Unit within MOF.