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OFFICIAL
DOCUMENTS

GRANT NUMBER D441-MZ

Financing Agreement

(Energy for All Project)

between

REPUBLIC OF MOZAMBIQUE

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

GRANT NUMBER D441-MZ

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between the REPUBLIC OF MOZAMBIQUE ("Recipient") and the 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) apply to and form 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 a grant, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to fifty-eighty million six hundred thousand Special Drawing Rights (SDR 58,600,000) ("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 III of Schedule 2 to this Agreement.

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

2.04. The Payment Dates are February 15 and August 15 in each year.

2.05. 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 shall cause Parts A and C.1 of the Project to be carried out by EDM and Parts B and C.2 of the Project to be carried out by FUNAE in accordance with the provisions of Article V of the General Conditions, Schedule 2 to this Agreement and the Project Agreements.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

4.01. The Additional Event of Suspension consists of the following, namely, the termination of the independent Fund Manager appointment without prior consultation with the Association.

4.02. The Co-financing Deadline for the effectiveness of the Co-financing Agreement is November 1, 2019.

ARTICLE V — EFFECTIVENESS; TERMINATION

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

(a) The Co-financing Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.

(b) The Subsidiary Agreements have been executed and delivered and all conditions precedent to their effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.

(c) The Project Implementation Manual has been adopted by EDM and FUNAE, in form and substance acceptable to the Association.

5.02. The Effectiveness Deadline is the date one hundred and twenty (120) days after the Signature Date.

5.03. For purposes of Section 10.05(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 Signature Date.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient's Representative is its minister responsible for finance.

6.02. For purposes of Section 11.01 of the General Conditions:

(a) the Recipient's address is:

Ministry of Economy and Finance
Praça da Marinha Popular
Av. 10 de Novembro nº 929
Maputo, Caixa Postal 272
Republic of Mozambique; and

(b) the Recipient's Electronic Address is:

Facsimile:

+258 21313747

6.03. For purposes of Section 11.01 of the General Conditions:

(a) The Association's address is:

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

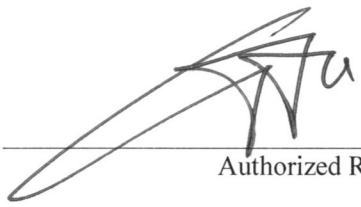
(b) the Association's Electronic Address is:

Telex:	Facsimile:
248423 (MCI)	1-202-477-6391

AGREED as of the Signature Date.

REPUBLIC OF MOZAMBIQUE

By:



Authorized Representative

Name: Adriana Maleiane

Title: Min. Econ. Finanças

Date: 24.05.2019

INTERNATIONAL DEVELOPMENT ASSOCIATION

By:

Mark Lundell

Authorized Representative

Name: MARK R. LUNDELL

Title: COUNTRY DIRECTOR

Date: May 17, 2019

SCHEDULE 1

Project Description

The objective of the Project is to increase access to electricity service in Mozambique.

The Project consists of the following parts:

Part A. Peri-Urban and Rural Electrification

Connecting new rural and peri-urban consumers (households and businesses) to the grid operated by EDM in approximately twenty districts in the territory of the Recipient, in line with the site selection resulting from the geospatial electrification tool, through, *inter alia*, investments in the densification and regularization of urban and peri-urban connections.

Part B. Off-Grid Electrification

1. **Mini-Grids**

Supporting off-grid electrification in rural areas in the territory of the Recipient, in line with the Recipient's Geospatial Option Analysis, through: (i) the development of mini-grids by independent power producers, which will invest, operate and maintain said mini-grids under PPAs with EDM; and (ii) the design and construction of the distribution network components of the mini-grids.

2. **Off-Grid Results-Based Financing Facility (RBF)**

Support the expansion of an off-grid energy market in the Recipient's territory, with a particular focus on its northern provinces, through the establishment and operationalization, by an independent Fund Manager (appointed by FUNAE), of an off-grid results-based financing facility to support off-grid energy solutions such as, *inter alia*, solar home systems, solar water pumps for agriculture and efficient cooking stoves.

Part C. Technical Assistance and Implementation Support

1. **Technical Assistance to EDM**

Strengthening the capacity of EDM in: (i) Project planning, coordination, management and implementation of the financial management, procurement and safeguards (including environmental and occupational health and safety) aspects of the Project; (ii) community engagement, including, *inter alia*, a connection campaign that is gender-sensitive; (iii) the development and implementation of the

young professional program; and (iv) gender mainstreaming, including, *inter alia*, Training, policy development and awareness raising.

2. **Technical Assistance to FUNAE**

Strengthening the capacity of FUNAE in: (i) Project planning, coordination, management and implementation of the financial management, procurement and safeguards (including environmental and occupational health and safety) aspects of the Project; and (ii) the development of a business strategy aligned with the Recipient's national electrification strategy.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

EDM-PIU

1. The Recipient shall cause EDM to maintain, throughout Project implementation, the EDM-PIU within EDM, composed of key staff, with qualifications and under terms of reference acceptable to the Association, including, one (1) project director, one (1) technical coordinator, one (1) procurement officer, one (1) accountant, one (1) environmental and health and safety specialist and one (1) social safeguards specialist and any other technical, fiduciary, and safeguards specialists as may have been agreed with the Association, as further detailed in the PIM. The EDM-PIU shall be responsible for implementation of Parts A and C.1 of the Project, including, *inter alia*, ensuring coordination with key stakeholders, managing the Project's fiduciary and safeguards aspects, and monitoring and evaluation with respect to Parts A and C.1 of the Project, as further detailed in the PIM.

FUNAE-PIU

2. The Recipient shall cause FUNAE to maintain, throughout Project implementation, the FUNAE-PIU within FUNAE, composed of key staff, with qualifications and under terms of reference acceptable to the Association, including one (1) project director, one (1) technical coordinator, one (1) procurement officer, one (1) financial management specialist, one (1) environmental and health and safety specialist and one (1) social safeguards specialist and any other technical, fiduciary, and safeguards specialists as may have been agreed with the Association, as further detailed in the PIM. The FUNAE-PIU shall be responsible for implementation of Parts B and C.2 of the Project, including, *inter alia*, ensuring coordination with key stakeholders, managing the Project's fiduciary and safeguards aspects, and monitoring and evaluation with respect to Parts B and C.2 of the Project, as further detailed in the PIM.

Fund Manager

3. The Recipient shall cause FUNAE to select and appoint an independent Fund Manager, with qualifications and experience and with terms of reference satisfactory to the Association, and in accordance with the Procurement Regulations. The independent Fund Manager shall be responsible for assisting

FUNAE in the establishment and operationalization of the RBF under Part B.2 of the Project.

Independent Verification Agent

4. The Recipient shall cause FUNAE to, not later than three (3) months from the Effective Date, appoint an independent verification agent, with qualifications, experience and under terms of reference acceptable to the Association, in accordance with the Procurement Regulations.

B. EDM Subsidiary Agreement

1. To facilitate the carrying out of Parts A and C.1 of the Project, the Recipient shall make part of the proceeds of the Financing allocated from time to time to Categories 1 and 2 of the table set forth in Section III.A of this Schedule available to EDM under a subsidiary agreement ("EDM Subsidiary Agreement") between the Recipient and EDM, under terms and conditions approved by the Association, which shall include the following:

   (a) EDM shall not be required to repay the proceeds of the Subsidiary Financing received from the Recipient;

   (b) the obligation of EDM to carry out Parts A and C.1 of the Project with due diligence and efficiency, in conformity with appropriate administrative, economic, managerial, financial, environmental, social and technical standards and practices, and provide promptly as needed, the facilities, services and other resources required for Parts A and C.1 of the Project;

   (c) the obligation of EDM to: (i) exchange views with the Recipient and the Association, with regards to the progress of Parts A and C.1 of the Project, and the performance of its obligations under the Subsidiary Agreement; and (ii) assist the Recipient in complying with its obligations referred to in Section II of this Schedule, as applicable to Parts A and C.1 of the Project;

   (d) the obligation of EDM to promptly inform the Recipient and the Association of any condition which interferes or threatens to interfere with the progress of Parts A and C.1 of the Project;

   (e) the obligation of EDM to carry out Parts A and C.1 of the Project in accordance with the PIM;

   (f) the obligation of EDM to carry out Parts A and C.1 of the Project in compliance with the Anti-Corruption Guidelines;

(g) the obligation of EDM to: (i) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to Parts A and C.1 of the Project; and (ii) have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association; and

(h) the right of the Recipient to take remedial actions against EDM, in case EDM shall have failed to comply with any of its obligations under the Subsidiary Agreement, which actions may include, *inter alia*, the partial or total suspension and/or cancellation or refund of all or any part of the proceeds of the Subsidiary Financing transferred to EDM pursuant to the Subsidiary Agreement (as the case may be).

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

C. FUNAE Subsidiary Agreement

1. To facilitate the carrying out of Parts B and C.2 of the Project, the Recipient shall make part of the proceeds of the Financing allocated from time to time to Categories 3, 4 and 5 of the table set forth in Section III.A of this Schedule available to FUNAE under a subsidiary agreement ("FUNAE Subsidiary Agreement") between the Recipient and FUNAE, under terms and conditions approved by the Association, which shall include the following:

(a) FUNAE shall not be required to repay the proceeds of the Subsidiary Financing received from the Recipient;

(b) the obligation of FUNAE to carry out Parts B and C.2 of the Project with due diligence and efficiency, in conformity with appropriate administrative, economic, managerial, financial, environmental, social and technical standards and practices, and provide promptly as needed, the facilities, services and other resources required for Parts B and C.2 of the Project;

(c) the obligation of FUNAE to: (i) exchange views with the Recipient, and the Association with regard to the progress of Parts B and C.2 of the Project, and the performance of its obligations under the Subsidiary

Agreement; and (ii) assist the Recipient in complying with its obligations referred to in Section II of this Schedule, as applicable to Parts A and C.1 of the Project;

(d) the obligation of FUNAE to promptly inform the Recipient and the Association of any condition which interferes or threatens to interfere with the progress of Parts B and C.2 of the Project;

(e) the obligation of FUNAE to carry out Parts B and C.2 of the Project in accordance with the PIM;

(f) the obligation of FUNAE to carry out Parts B and C.2 of the Project in compliance with the Anti-Corruption Guidelines;

(g) the obligation of FUNAE to: (i) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to Parts B and C.2 of the Project; and (ii) have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association; and

(h) the right of the Recipient to take remedial actions against the EDM, in case the FUNAE shall have failed to comply with any of its obligations under the Subsidiary Agreement, which actions may include, *inter alia*, the partial or total suspension and/or cancellation or refund of all or any part of the proceeds of the Subsidiary Financing transferred to the FUNAE pursuant to the Subsidiary Agreement (as the case may be).

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

D. Project Implementation Manual (PIM)

1. The Recipient shall cause EDM and FUNAE to carry out the Project in accordance with the requirements set forth in the PIM. The PIM shall set out detailed guidelines, methods and procedures for the implementation of the Project, including: (a) the different roles and responsibilities in the implementation of the Project, including the various mechanisms for ensuring close coordination and collaboration between various Project stakeholders;

(b) budget and budgetary control; (c) flow of funds, disbursement procedures and banking arrangements; (d) financial, procurement and accounting procedures; (e) internal control procedures; (f) accounting system and transaction records; (g) reporting requirements; (h) external audit and independent verification arrangements; (i) anti-corruption and fraud mitigation measures; (j) safeguards aspects, including a detailed description of the GRM process as well as any process for recording and reporting Project-related accidents and incidents; (k) detailed procedures, eligibility, selection/eligibility criteria and flow of funds for Part B.2 of the Project; (l) financial terms and conditions of the sub-financing to be provided RBF; (m) monitoring and evaluation arrangements; (n) contractual arrangements, including, *inter alia*, template performance-based contracts, for Part B.2 of the Project; and (o) such other arrangements and procedures as shall be required for the effective implementation of the Project.

2. The Recipient shall cause EDM and FUNAE not to assign, amend, abrogate or waive any provision of the PIM without prior written approval of the Association.

3. In case of any conflict between the terms of the PIM and those of this Agreement, the terms of this Agreement shall prevail.

E. Participating Agreements

1. In order to implement Part B.2 of the Project, the Recipient shall cause FUNAE to ensure that the independent Fund Manager shall: (a) enter into agreements with eligible beneficiaries ("Participating Agreements"), on terms and conditions acceptable to the Association, which shall include terms and conditions set forth in the PIM to make the proceeds of the subsidiary financing available to said eligible beneficiaries; and (b) except as the Association shall otherwise agree, not assign, amend, abrogate or waive any such Participating Agreements.

2. The Recipient shall cause FUNAE to take all measures in its powers to ensure that the independent Fund Manager shall exercise its rights under the Participating Agreements in such manner as to protect its interests and the interests of the Association in order to accomplish the purposes of the Financing. The Recipient and/or FUNAE and/or the independent Fund Manager shall not assign, amend, abrogate or waive the Participating Agreements without the prior written approval of the Association.

F. Safeguards

1. The Recipient shall ensure that EDM and FUNAE carry out the Project in accordance with the provisions of the ESMF and the RPF, and shall ensure that no provision of the ESMF and/or RPF is amended, suspended, abrogated, repealed or waived without the prior written approval by the Association.

2. The Recipient shall cause EDM and/or FUNAE to ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, subcontractors and supervising entities to: (a) comply with the relevant aspects of the Safeguards Instruments; (b) adopt and implement measures to assess and manage the risks and impacts of labor influx; and (c) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures on environmental, social, health and safety, and gender-based violence; all as applicable to such civil works commissioned or carried out pursuant to said contracts.

3. The Recipient shall cause EDM and/or FUNAE to take all measures to implement the Resettlement Policy Framework, in a manner and timeframe satisfactory to the Bank. To this end, the Recipient shall ensure that:

   (a) a resettlement action plan is prepared and implemented, in accordance with the RPF, prior to carrying out activities that involve displacement;

   (b) sufficient funds are made available to cover all the costs of implementing Project-related resettlement, in accordance with the RPF and resettlement action plan(s);

   (c) prior to carrying out activities which involve displacement, Project affected persons shall be compensated at full replacement cost, resettled and provided with assistance in accordance with the RPF and resettlement action plan(s); and

   (d) the implementation, monitoring and evaluation of such resettlement action plan is completed and reported in a manner satisfactory to the Association.

4. Without limitation to the excluded expenditures provision set forth in the ESMF and/or RPF, the following activities shall not be eligible to be included in or funded under the Project ("Negative List"):

   (a) activities involving the use of pesticides;

   (b) any activities that would lead to conversion or degradation of critical natural habitats or their supporting areas;

   (c) any activities that would lead to conversion or degradation of critical forest areas, related critical natural habitats, clearing of forests or forest ecosystems;

   (d) activities involving the financing the rehabilitation or construction of dams;

   (e) activities whose implementation or operation depend on an existing dam;

(f) activities involving nuclear reactors and parts thereof and fuel elements (cartridges), non-irradiated, for nuclear reactors; and

(g) goods intended for a military or paramilitary purpose.

5. The Recipient shall cause EDM and FUNAE to, maintain, throughout Project implementation, and publicize the availability of a grievance and feedback mechanism, in form and substance satisfactory to the Association, to hear and determine fairly and in good faith all complaints raised in relation to the Project, and take all measures necessary to implement the determinations made by such mechanism in a manner satisfactory to the Association.

6. The Recipient shall, and shall cause EDM and FUNAE and any pertinent Project service providers, at all times throughout the period of Project implementation:

(a) take all measures necessary on its part to collect, compile, and furnish to the Association through Project Reports, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESMF and RPF and the management tools and instruments referred to therein, all such reports in form and substance acceptable to the Association, setting out, among other things: (i) the status of implementation of the ESMF/RPF; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESMF/RPF; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and

(b) promptly notify the Association of any incident or accident related to or having an impact on the Project, including but not limited any Project-related allegation of gender-based violence or alleged violation of Project-related labor and working conditions, which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, including, in accordance with the ESMF/RPF, and the instruments referenced therein.

Section II. <u>Project Monitoring, Reporting and Evaluation</u>

The Recipient shall furnish to the Association each Project Report not later than one month after the end of each calendar semester, covering the calendar semester.

Section III. Withdrawal of the Proceeds of the Financing

A. General

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to: (a) finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Grant Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consulting services, Training and Incremental Operating Costs for Part A of the Project	42,840,000	46%
(2) Goods, non-consulting services, consulting services, Training and Incremental Operating Costs for C.1 of the Project	4,310,000	100%
(3) Goods, non-consulting services, consulting services, Training and Incremental Operating Costs for C.2 of the Project	2,168,000	100%
(4) Results-Based Financing Payments under Part B.2 of the Project	2,142,000	100%
(5) Goods, works, non-consulting services, consulting services, Training and Incremental Operating	7,140,000	100%

Costs for Part B.1 of the Project		
TOTAL AMOUNT	58,600,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:

   (a) for payments made prior to the Signature Date;

   (b) under Category (1), unless and until, evidence, in form and substance satisfactory to the Association, is provided to the Association that adequate measures have been adopted by the Recipient to ensure that the rights of people located within the partial protection zone are not adversely affected by the application of the Recipient's Land Law to electricity distribution networks being supported under Part A of the Project; or

   (c) under Category (4), unless and until: (i) an independent Fund Manager is selected and appointed as provided in Section I.A.3 of this Schedule; and (ii) an Independent Verification Agent is selected and appointed as provided in Section I.A.4 of this Schedule.

2. The Closing Date is December 31, 2023.

APPENDIX

Definitions

1. "Anti-Corruption Guidelines" means, for purposes of paragraph 5 of the Appendix to the General Conditions, the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.

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

3. "Co-financing Agreement" means the "Mozambique Energy for All Multi-Donor Trust Fund Grant Agreement" (Grant No. TF0A9837).

4. "EDM Subsidiary Agreement" means the agreement referred to in Section I.B. of Schedule 2 to this Agreement pursuant to which the Recipient shall make part of the proceeds of the Financing available to EDM.

5. "EDM" means *Electricidade de Mocambique*, the Recipient's state-owned utility responsible for electricity generation, transmission and distribution countrywide, established in accordance with Law no. 21/97 of October 1, 1997.

6. "EDM-PIU" means the Project implementation unit within EDM referred to in Section I.A.1 of Schedule 2 to this Agreement.

7. "ESMF" means the EDM and FUNAE's environmental and social framework, entitled *Quadro de Politicas de Gestao Ambiental e Social*, dated January 2019, disclosed in- country on EDM's and FUNAE's website January, 2019, respectively, and at the Association's website on January, 2019, for the screening, assessment and mitigation of environmental and social risks related to the Project, including guidelines for the preparation and implementation of environmental and social management plans, as said framework may be amended from time to time with the prior written agreement of the Association.

8. "FUNAE Subsidiary Agreement" means the agreement referred to in Section I.C of Schedule 2 to this Agreement pursuant to which the Recipient shall make part of the proceeds of the Financing available to FUNAE.

9. "FUNAE" means *Fundo de Energia*, the Recipient's energy fund, established and operating pursuant to Decree 24/91 of July 22, 1997.

10. "FUNAE-PIU" means the Project implementation unit within the FUNAE referred to in Section I.A.2. of Schedule 2 to this Agreement.

11. "Fund Manager" means an independent firm selected by the FUNAE, pursuant to the Procurement Regulations, to manage the RBF, and referred to in Section I.A.3 of Schedule 2 to this Agreement.

12. "General Conditions" means the "International Development Association General Conditions for IDA Financing, Investment Project Financing", dated July 14, 2017.

13. "Geospatial Options Analysis" means the study funded by the Association (ESMAP) entitled "Mozambique Geospatial Options Analysis towards Universal Electrification".

14. "GRM" means Recipient's Project-level grievance mechanism.

15. "Incremental Operating Costs" means the reasonable incremental operating expenses, approved by the Association, incurred by the EDM and FUNAE or its regional offices on account of the Project implementation, management and monitoring, including operation and maintenance costs of office, vehicles and office equipment, water and electricity utilities, telephone, office supplies, bank charges, public awareness-related media expenditures, travel and supervision costs and salaries of Project implementation support staff, but excluding the salaries of officials and public servants of the Recipient's civil service.

16. "Land Law" means the Recipient's Law 97/17 of October 1, 1997.

17. "Ministry of Finance" means the Recipient's ministry in charge of finance; or any successor thereto.

18. "Negative List" means the lists of activities that cannot be funded or included under the Project, as set out in Section I.FE.2.4 of Schedule 2 to this Agreement, the POM and/or the ESMF.

19. "Participating Agreements" means the agreements to be entered into between the Recipient, through the Fund Manager, and eligible beneficiaries, and referred to in Section I.E. of Schedule 2 to this Agreement.

20. "PPAs" means power purchase agreements.

21. "Procurement Regulations" means, for purposes of paragraph 87 of the Appendix to the General Conditions, the "World Bank Procurement Regulations for IPF Borrowers", dated July 2016, revised November 2017 and August 2018.

22. "Project Implementation Manual" or "PIM" means the manual to be prepared by EDM and FUNAE referred to in Section 1.D. of Schedule 2 to this Agreement.

23. "RBF" or "Off-Grid Results-Based Financing Facility" means the legal entity licensed pursuant to the Recipient's financial sector laws to be selected pursuant to the Procurement Regulations for the purposes of supporting the Recipient in implementing Part B.2. of the Project.

24. "Results-based Financing Payments" means the payments to be made by FUNAE, through the independent Fund Manager, with the proceeds of the Financing under Category 4(b) to be made to eligible beneficiaries, subject to the conditions set out with Section III.B.1(c) of Schedule 2 to this Agreement, and in accordance with Section I.C. of Schedule 2 to this Agreement.

25. "RPF" or "Resettlement Policy Framework" means the EDM's and FUNAE's document entitled *Quadro da Politica de Reassentamento*, dated January 2019 and disclosed in-country on EDM's and FUNAE's website on January 23, 2019, and January 21, 2019, respectively, and on the Association's website on January 17, 2019, containing guidelines, procedures, timetables and other specifications for the provision of compensation, rehabilitation and resettlement assistance to Project-displaced persons; including all annexes thereto and as revised from time to time with the prior written approval of the Association.

26. "Safeguards Instruments" means the ESMF and RPF.

27. "Signature Date" means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to "the date of the Financing Agreement" in the General Conditions.

28. "Subsidiary Agreements" means the EDM Subsidiary Agreement and the FUNAE Subsidiary Agreement.

29. "Training" means the reasonable cost of training under the Project, as approved by the Association, including costs associated with seminars, workshops, conference and study tours, travel and subsistence costs for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials and other activities directly related to course preparation and implementation.