Global Environment Facility
Grant Agreement

(Geothermal Power Generation Project)

between

REPUBLIC OF DJIBOUTI

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

acting as an Implementing Agency of the Global Environment Facility

Dated October 13, 2013
GLOBAL ENVIRONMENT FACILITY
GRANT AGREEMENT

AGREEMENT dated October 13, 2013, entered into between:

REPUBLIC OF DJIBOUTI ("Recipient"); and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
("World Bank"), acting as an implementing agency of the Global Environment Facility
("GEF").

The Recipient and the World Bank hereby agree as follows:

Article I - Standard Conditions; Definitions

1.01. The Standard Conditions for Grants Made by the World Bank Out of Various
Funds, dated February 15, 2012 ("Standard Conditions"), 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 Standard Conditions or in
this Agreement.

Article II - The Project

2.01. The Recipient declares its commitment to the objectives of the project described
in Schedule 1 to this Agreement ("Project"). To this end, the Recipient shall
carry out the Project through the Project Implementing Entity in accordance with
the provisions of Article II of the Standard Conditions.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and
except as the Recipient and the World Bank shall otherwise agree, the Recipient
shall ensure that the Project is carried out in accordance with the provisions of
Schedule 2 to this Agreement.

Article III - The Grant

3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions
set forth or referred to in this Agreement, a grant in an amount equal to six
million forty thousand United States Dollars ($6,040,000) ("Grant") to assist in financing the Project.

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

3.03. The Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the donor to the trust fund. In accordance with Section 3.02 of the Standard Conditions, the World Bank's payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donor under the abovementioned trust fund, and the Recipient's right to withdraw the Grant proceeds is subject to the availability of such funds.

**Article IV - Additional Remedies**

4.01. The Additional Event of Suspension referred to in Section 4.02 (k) of the Standard Conditions consists of the following:

(a) the Project Implementing Entity's Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Project Implementing Entity to perform any of its obligations under the Project Agreement.

(b) the Memorandum of Understanding (MoU) has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Recipient to implement the Project or to perform any of its obligations under the Agreement;

(c) any Co-financing Agreement between the Recipient and *Agence Française de Développement* ("AFD"), the African Development Bank ("AfDB"), the IBRD/IDA acting as an Implementing Agency of the Energy Sector Management Assistance Program (the "ESMAP"), the IBRD/IDA acting as an Implementing Agency of the Global Environment Facility (the "GEF") or the OPEC Fund for International Development (the "OFID") (collectively, the "Co-financiers") has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Recipient to implement the Project or to perform any of its obligations under the Agreement;

(d) (i) Subject to sub-paragraph (ii) of this paragraph: (A) the right to withdraw the proceeds of the Co-financing has been suspended, canceled or terminated in whole or in part, pursuant to the terms of the Co-financing Agreements; or (B) the Co-financing have become due and payable prior to its agreed maturity.
(ii) Sub-paragraph (i) of this paragraph shall not apply if the Recipient establishes to the satisfaction of the World Bank that: (A) such suspension, cancellation, termination or prematuring was not caused by the failure of the Recipient of the Co-financing to perform any of its obligations under the Co-financing Agreements; and (B) adequate funds for the Project are available from other sources on terms and conditions consistent with the Recipient’s obligations under this Agreement.

Article V
Effectiveness; Termination

5.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the conditions specified below have been satisfied:

(a) The Co-financing Agreements have been executed and delivered and all conditions precedent to their effectiveness or to the right of the Recipient to make withdrawals under them (other than the effectiveness of this Agreement) have been fulfilled;

(b) The MoU has been executed and delivered and all conditions precedent to its effectiveness have been fulfilled; and

(c) The Financing Agreement dated the same date as this Agreement, between the Recipient and IDA, providing a credit in support of the Project ("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.

(d) The Subsidiary Agreement has been executed on behalf of the Recipient and the Project Implementing Entity.

5.02. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

5.03. Termination for Failure to Become Effective. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date one hundred and eighty (180) days after the date of this Agreement (the "Effectiveness
Deadline”), unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

**Article VI**

**Recipient’s Representative; Addresses**

6.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is Minister of Economy and Finance in charge of Industry.

6.02. The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Economy and Finance in charge of Industry  
BP 13  
Djibouti City  
Republic of Djibouti

Facsimile:  
(253) 21 35 6501/ (253) 21 35 5085

6.03. The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

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

Cable: INTBAFRAD  
Telex: 248423 (MCI) or 64145 (MCI)  
Facsimile: 1-202-477-6391
AGREED at Washington, D.C., United States of America, as of the day and year first above written.

REPUBLIC OF DJIBOUTI
By

Authorized Representative

Name: Mr. Ilyas Moussa Dawsheh
Title: Minister of Economy, Finance in Charge of Industry and Planning

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
acting as an Implementing Agency of the Global Environment Facility

By

Authorized Representative

Name: Jeppe Andersen
Title: Regional Vice President
SCHEDULE 1
Project Description

The objective of the Project is to assist the Recipient in assessing the commercial viability of the geothermal resource in Fiale Caldera within the Lake Assal region.

The Project consists of the following parts:

Part A. Drilling Program

Carrying out of works and provision of goods, non-consultants’ services and consultants’ services for:

(i) preparation of the execution of the drilling program referred to in Part A (ii) of Schedule 1 to this Agreement, including, inter alia: (a) strengthening roadways and crossing between the port of Djibouti and the drilling sites to support the weight of the heavy, oversized drilling equipment; (b) installing roadbeds in the “off road” area to provide access to the drill sites; (c) preparing drilling pads and pouring concrete cellars; (d) preparing water pumping sites; and (e) providing general infrastructure as necessary for accommodation of operations;

(ii) execution of the drilling program designed as described in Part B (i) of Schedule 1 of this Agreement;

(iii) provision of steel material needed during the execution of the drilling program; and

(iv) the inspection and testing of reservoir flow rates.

Part B. Technical Assistance for the Drilling Program

Provision of goods and consultants’ services to: (i) design a drilling program and well test protocol in the Fiale Caldera in the Lac Assal region; (ii) execute the well test protocol and carry out third party certification of the results of the drilling program; and (iii) prepare a technical feasibility study for a geothermal power plant, provided that the geothermal resource is found to be suitable for power generation.

Part C. Project Management

Provision of goods, consultants’ services, including audit and training, and financing of operational costs for purposes of Project management and implementation, including monitoring and evaluation.
SCHEDULE 2
Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall establish and thereafter maintain during Project implementation a Project Steering Committee (PSC), with composition and terms of reference acceptable to the Association, for the purpose of providing strategic guidance on Project implementation. The Steering Committee shall be chaired by the Secretary General of the Government and shall include as members a representative of the MoEF, the Secretary General of the Ministry of Finance, the Director General of EDD, and the Director of CERD.

2. The Recipient shall cause the Project Implementing Entity, through the PMU, to ensure that the Project is implemented with sound executive, administrative and technical management procedures.

3. The Recipient, through MoEF, shall cause the Project Implementing Entity to provide adequate fiduciary, administrative and technical support during the implementation of the Project and, in that respect, maintain, during Project implementation, the PMU in charge of supporting the disbursement, financial management and procurement activities under the Project, as well as carrying out monitoring and evaluation.

4. The Recipient, through MoEF, shall cause the Project Implementing Entity to strengthen the PMU by hiring additional staff, under terms of reference satisfactory to the Association, including: (i) an internationally recruited PMU director, not later than three (3) months after the Effective Date; and (ii) an accountant, procurement specialist, an environmental safeguards specialist, a social safeguard specialist and an administrative assistant not later than three (3) months after the Effective Date.

5. The Recipient shall cause the Project Implementing Entity, not later than three (3) months after the Effective Date, to revise the POM in a manner satisfactory to the Association. The Recipient shall implement, or cause to be implemented, the Project in accordance with the provisions of the POM as so up-dated and shall not amend, suspend, abrogate, repeal or waive any of its provisions without the prior consent of the Association.

B. Subsidiary Agreement

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

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. Anti-Corruption

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

D. Safeguards

1. The Recipient shall cause the Project Implementing Entity to carry out the Project in accordance with the provisions of the Safeguard Documents and shall not abrogate, amend, repeal, suspend, waive or otherwise fail to enforce any of the Safeguard Documents without the prior consent of the Association.

2. Prior to the execution of any civil work activities to be financed under Part A of the Project, the Recipient, through MoEF, shall cause the Project Implementing Entity to: (i) develop a specific ESIA for said activities satisfactory to the Association and revise the ESMP or prepare a new ESMP, as the case may be, in accordance with and as required by the ESIAF; (ii) adopt and publish the ESIA and the ESMP in a manner satisfactory to the Association; and (iii) implement the ESIA and the ESMAP in a manner satisfactory to the Association.

3. Not later than three (3) months prior to the execution of any civil work activities to be financed under Part A of the Project, the Recipient shall cause the Project Implementing Entity to hire an environment, health and safety audit consultant, under terms of reference satisfactory to the Association, to: (i) carry out an independent monitoring of the implementation of the ESMP during implementation of the Project; and (ii) provide quarterly reports to the Association and the Project Implementing Entity on the results of said monitoring. Based on such reports, the Recipient shall cause the Project Implementing Entity to take measures, satisfactory to the Association, to address any identified deficiencies and ensure compliance with the ESMP.
Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient shall monitor and evaluate the progress of the Project and cause the Project Implementing Entity to prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators acceptable to the Association. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Association 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 Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.

2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association not later than forty five (45) days after the end of each calendar quarter, interim financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.

3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one (1) fiscal year of the Recipient. The audited Financial Statements for each such period shall: (i) be furnished to the Association not later than six (6) months after the end of such period; and (ii) include: (a) a cash flow statement; (b) a closing statement of financial position; (c) a statement of ongoing commitments; and (d) an analysis of payments and withdrawals from the grant account.

4. The Recipient shall cause the Project Implementing Entity to carry out, through the PMU, an external financial audit review of the interim unaudited financial reports and the Financial Statements.

5. The Recipient, through MoEF, shall cause the Project Implementing Entity to ensure: (i) the use of the existing accounting software of the Power Access and Diversification Project; and (ii) the acquisition and operation of an additional license of the accounting software for purposes of this Project, not later than three (3) months after the Effective Date.
Section III. **Procurement**

A. General

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

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

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

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

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

2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of Goods, Works and Non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding subject to the following additional provisions subject to the additional provisions specified below and to the use of bidding documents acceptable to the Association; (b) Shopping; (c) procurement under Framework Agreements in accordance with procedures which have been found acceptable to the Association; (d) Direct Contracting; and (e) Procurement under Public Private Partnership Arrangements in accordance with procedures which have been found acceptable to the Association.

National Competitive Bidding: Additional Provisions

1. In the Standard Bidding Documents, as enacted by the by Law no2010-349/PRE, dated May 8, 2010, the “Fraud and Corruption” clause shall
be revised to read as follows for all contracts financed by the present Agreement:

"It is the World Bank's policy to require that Borrowers (including beneficiaries of World Bank administered Financing Agreements), bidders, suppliers, contractors and their agents (whether declared or not), sub-contractors, sub-consultants, service providers or suppliers, and any personnel thereof, observe the highest standard of ethics during the procurement and execution of World Bank-financed contracts. In pursuance of this policy, the World Bank:

(a) defines, for the purposes of this provision, the terms set forth below as follows:

(i) "corrupt practice" is the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party

(ii) "fraudulent practice" is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;

(iii) "collusive practice" is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;

(iv) "coercive practice" is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;

(v) "obstructive practice" is:

(aa) deliberately destroying, falsifying, altering, or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a World Bank investigation into allegations of a corrupt, fraudulent, coercive or collusive
practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or

(bb) acts intended to materially impede the exercise of the World Bank's inspection and audit rights provided for under paragraph (e) below.

(b) will reject a proposal for award if it determines that the bidder recommended for award, or any of its personnel, or its agents, or its sub-consultants, sub-contractors, service providers, suppliers and/or their employees, has, directly or indirectly, engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices in competing for the contract in question;

(c) will declare misprocurement and cancel the portion of the loan/agreement allocated to a contract if it determines at any time that representatives of the Borrower or of a recipient of any part of the proceeds of the loan/agreement engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices during the procurement or the implementation of the contract in question, without the Borrower having taken timely and appropriate action satisfactory to the World Bank to address such practices when they occur, including by failing to inform the World Bank in a timely manner at the time they knew of the practices;

(d) will sanction a firm or individual, at any time, in accordance with the prevailing Bank's sanctions procedures, including by publicly declaring such firm or individual ineligible, either indefinitely or for a stated period of time: (i) to be awarded a World Bank-financed contract; and (ii) to be a nominated sub-contractor, consultant, supplier, or service provider of an otherwise eligible firm being awarded a World Bank-financed contract;

(e) hereby requires that a clause be included in bidding documents and in contracts financed by a World Bank loan/agreement, requiring bidders, suppliers and
contractors, and their sub-contractors, agents, personnel, consultants, service providers, or suppliers, to permit the World 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 World Bank; and

(f) will require that, when a Borrower procures goods, works or non-consulting services directly from a United Nations (UN) agency under an agreement signed between the Borrower and the UN agency, the above provisions regarding sanctions on fraud or corruption shall apply in their entirety to all suppliers, contractors, service providers, consultants, sub-contractors or sub-consultants, and their employees that signed contracts with the UN agency.

As an exception to the foregoing, (d) and (e) will not apply to the UN agency and its employees, and paragraph (e) will not apply to the contracts between the UN agency and its suppliers and service providers. In such cases, the UN agencies will apply their own rules and regulations for investigating allegations of fraud or corruption subject to such terms and conditions as the World Bank and the UN agency may agree, including an obligation to periodically inform the World Bank of the decisions and actions taken. The World Bank retains the right to require the Borrower to invoke remedies such as suspension or termination. UN agencies shall consult the World Bank’s list of firms and individuals suspended or debarred. In the event a UN agency signs a contract or purchase order with a firm or an individual suspended or debarred by the Bank, the World Bank will not finance the related expenditures and will apply other remedies as appropriate."

2. Bidders shall sign, as part of their bids, the ethical charter Form enacted as Annex 3 by the Decree # 2010-0085PRE dated May 8, 2010;

3. No preference shall be granted for domestic bids;

4. The NCB procedures shall include, further to public opening of bids, publication of results of evaluation and of the award of contract as per paragraph 7 of Appendix 1 of the Procurement Guidelines; and

5. Recipient shall have an effective and independent protest mechanism in place allowing bidders to protest and have their protests handled in a timely manner.
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) Selection under a Fixed Budget; (b) Least Cost Selection; (c) Selection based on Consultants’ Qualifications; (d) Single-source Selection of consulting firms; (e) Selection of consultants under Indefinite Delivery Contract or Price Agreement; (f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (g) Single-source procedures for the Selection of Individual Consultants.

D. **Review by the Association of Procurement Decisions**

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

**Section IV. Withdrawal of Grant Proceeds**

A. **General**

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World 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 Grant (“Category”), the allocations of the amounts of the Grant 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 Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods, works, non-consulting services, and consultants’ services under Part A (ii) of the Project</td>
<td>6,040,000</td>
<td>32%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>6,040,000</td>
<td></td>
</tr>
</tbody>
</table>

B. Withdrawal Conditions; Withdrawal Period

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

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2018.

Section V. Other Undertakings

The Recipient shall, upon the completion of the drilling program under the Project and adequate determination of commercial viability of any geothermal resources discovered under said program for power generation based on criteria, satisfactory to the Association, including the capacity of each of the four (4) wells under said program to produce at least 4 Mega Watts (MW) of electricity, take measures, satisfactory to the Association, to enter into appropriate arrangements with suitable private sector entities for the construction, operation and maintenance of a power generation plant utilizing said resources, which shall include provisions seeking to recover from said entities all the expenditures incurred by the Recipient under this Agreement.
APPENDIX
Definitions


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

5. “CERD” means Djibouti Center for Studies and Research (Centre d’Etudes et de Recherches de Djibouti).

6. “Co-financiers” means, collectively, AFD, AfDB, ESMAP and OFID (all and each of them herein defined).

7. “Co-financing” means, for purposes of paragraph 11 of the Appendix to the General Conditions, an amount of US Dollars twenty five million one hundred and ninety thousand (USD 25,190,000), to be provided by the Co-financiers to assist in financing the Project.

8. “Co-financing Agreements” means the agreements to be entered between the Recipient and the Co-financiers providing for the Co-financing.


10. “EDD” means Electricité de Djibouti, the Recipient’s power utility company established through Decision No. 115 dated January 21, 1960 of the Recipient, and any successor thereto.

11. “ESIA” means the Environmental and Social Impact Assessment for the drilling program, prepared pursuant to the ESIAF (herein defined) identifying the potential environmental impacts of the Project activities including the evaluation of potential alternatives, as well as appropriate mitigation, management, and monitoring measures, satisfactory to the Association.

12. “ESIAF” means the Environmental and Social Impact Assessment Framework prepared by the Recipient for the implementation of the Project and adopted on December 1, 2012 containing, inter alia: (i) the relevant legal and regulatory
framework of the project; (ii) a description of the current state of the environment in the Project area and surroundings; (iii) the potential environmental and social impacts, both positive and negative as appropriate, of the exploratory drilling activities; (iv) alternative options considered; (v) provisions to protect natural habitats by prescribing measures which will manage the risk of discharge of untreated geothermal fluids or drilling fluids into either the water bodies themselves or into the water table connected to them; and (vi) the procedure and parameters for the preparation of the detailed ESIA (herein defined) and its associated ESMP (herein defined).

13. “ESMP” means Environmental and Social Management Plan to be developed for the civil works activities, in accordance with the model form presented in the ESIA (herein defined), which includes appropriate environmental monitoring and mitigation plans and up-dated provisions regarding construction permit requirements.


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


17. “MoU” means the Memorandum of Understanding between the Association and the OFID (herein defined) for jointly co-financed activities under the Project.

18. “OFID” means the OPEC Fund for International Development, a development finance institution of OPEC Fund for International Development.

19. “Power Access and Diversification Project” means the project financed under the Development Credit Agreement for a Power Access and Diversification Project between the Recipient and the Association, dated November 28, 2005, as amended to the date of this Agreement (Credit No. 4120-DJII) and under the Financing Agreement for an Additional Financing for a Power Access and Diversification Project between the Recipient and the Association, dated July 27, 2010 (Grant No. H574-DJ).

21. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated of April 12, 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.

22. “Project Implementing Entity” means EDD.


24. “Project Operational Manual” or “POM” means the manual referred to in Section I.A.5 of Schedule 2 to this Agreement, adopted by the Recipient under the Power Access and Diversification Project (herein defined) and to be updated in a manner satisfactory to the Association not later than three (3) months from the Effective Date.

25. “PMU” means the Project Management Unit within MoEF (herein defined) as established under the Power Access and Diversification Project (herein defined) to be maintained by the Recipient for purposes of Project coordination and management and reinforced with additional staff pursuant to Section I.A.4 of Schedule 2 to this Agreement.

26. “Project Steering Committee” or “PSC” means the committee referred to in Section I.A.1 of Schedule 2 to this Agreement for purposes of providing strategic guidance on the Project implementation established through the Recipient’s Décret n°2012-257/PRE portant création et fonctionnement des Organes de Supervision et de Gestion des Projets de Développement de la Géothermie dated December 2, 2012.

27. “Safeguard Documents” means, collectively, the ESIA, ESIAF and ESMP.

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