Loan Agreement

(Transmission Grid Strengthening Project)

between

GEORGIA

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated September 3, 2014
LOAN AGREEMENT

Agreement dated September 3, 2014, between GEORGIA ("Borrower") and the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank"). The Borrower and the Bank hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

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

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

ARTICLE II — LOAN

2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of sixty million United States Dollars (US$60,000,000), 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 Variable 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 Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be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 1 and November 1 in each year.
2.06. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.

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prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency; (ii) a change of the interest rate basis applicable to: (A) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa; or (B) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread, or vice versa; or (C) all of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread; and (iii) the setting of limits on the Variable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

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

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

ARTICLE III — PROJECT

3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall carry out Part C of the Project through the Ministry of Environment and Natural Resources’ Protection and the Ministry of Energy and cause Parts A, B, and D of the Project to be carried out by the Project Implementing Entity, in accordance with the provisions of Article V of the General Conditions and the Project Agreement.
3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE BANK

4.01. The Additional Event of Suspension consists of the following, namely that 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.

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

ARTICLE V — EFFECTIVENESS; TERMINATION

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

(a) The Subsidiary Agreement has been executed by the Ministry of Finance, Ministry of Environment and Natural Resources’ Protection and the Ministry of Energy on behalf of the Borrower and the Project Implementing Entity.

(b) The Project Implementing Entity has submitted to the Bank the Operational Manual, in form and substance satisfactory to the Bank.

5.02. The Additional Legal Matter consists of the following, namely that the Subsidiary Agreement has been duly authorized or ratified by the Borrower and the Project Implementing Entity and is legally binding upon the Borrower and the Project Implementing Entity, in accordance with its terms.

5.03. The Effectiveness Deadline is the date one hundred and twenty (120) days after the date of this Agreement.
ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Borrower's Representative is the Minister of Finance.

6.02. The Borrower's Address is:

Ministry of Finance
16 Gorgasali Street
0114 Tbilisi
Georgia

Facsimile:
995-32-2261461

6.03. The Bank's Address is:

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

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

GEORGIA

By

[Signature]

Authorized Representative

Name: Nodar Khaduri
Title: Minister of Finance

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

[Signature]

Authorized Representative

Name: Henry Kerali
Title: Regional Director
SCHEDULE 1

Project Description

The objectives of the Project are to provide reliable power transmission to the southwestern part of the grid, upgrade electricity exchange systems, and provide economically efficient, environmentally and socially sustainable electricity sector planning.

The Project consists of the following parts:

**Part A: Transmission System Strengthening**

Construction of a high voltage transmission line from Akhaltsikhe to Batumi, through: (1) the supply and installation of a double-circuit, 220 kV transmission line from Akhaltsikhe back-to-back and 500/400/220 kV substation (Akhaltsikhe station) to Batumi 220 kV substation; and (2) the supervision of the supply and installation of the Akhaltsikhe Batumi transmission line; and through the carrying out of works and provision of goods and consultants’ services.

**Part B: Wholesale Power Exchange Platform**

Design, supply and installation of a power exchange platform including: (1) the provision of hardware and software for metering, balancing, and trading systems; and (2) the supervision of the supply and installation of the said platform through the carrying out of small works and provision of goods and consultants’ services.

**Part C: Electricity Sector Strategic Environmental and Social Assessment**

Preparation of an electricity sector strategic environmental and social assessment through the provision of consultants’ services.

**Part D: Project Management and Transmission Systems Studies**

Provision of consultants’ services to assist the Project Implementing Entity for the purposes of: (1) effective management and implementation of Project activities; and (2) the preparation of: (a) a new transmission-system expansion plan; (b) prospective transmission line feasibility studies; and (c) the preliminary designs for the prospective transmission lines.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Borrower shall: (a) cause the Project Implementing Entity to carry out Parts A, B and D of the Project in accordance with this Agreement, the Project Agreement, the Subsidiary Agreement and the Project Operational Manual and shall not assign, amend, abrogate or waive any provision of said Manual without the prior written approval of the Bank; and (b) carry out Part C of the Project through the Ministry of Energy and the Ministry of Environment and Natural Resources’ Protection, in accordance with this Agreement. Notwithstanding the foregoing, and for the purpose of carrying out Part C of the Project, the Ministry of Energy and the Ministry of Environment and Natural Resources’ Protection shall jointly review and approve the terms of reference for carrying out the electricity sector strategic environmental and social assessment and thereafter jointly review and approve the said assessment.

2. For the purposes of assisting the Project Implementing Entity in the implementation of Parts A, B and D of the Project, and in order to ensure the proper coordination of the execution of the Project, the Borrower shall cause the Project Implementing Entity to: (a) maintain throughout the duration of the Project, adequate resources and facilities, and professional staff in adequate numbers whose qualifications, experience and terms of reference shall be acceptable to the Bank; and (b) assist the Ministry of Energy and the Ministry of Environment and Natural Resources’ Protection in processing the procurement for Part C of the Project in accordance with implementation arrangements satisfactory to the Bank.

B. Subsidiary Agreement

1. To facilitate the carrying out of the Project Implementing Entity’s Respective Parts A, B and D of the Project, the Borrower shall make part of the proceeds of the Loan available to the Project Implementing Entity under a subsidiary agreement between the Ministry of Finance, Ministry of Environment and Natural Resources’ Protection and the Ministry of Energy on behalf of the Borrower and the Project Implementing Entity, under terms and conditions acceptable to the Bank (“Subsidiary Agreement”) which shall include, without limitation the following terms and conditions:
(a) The Project Implementing Entity shall utilize the proceeds of the Loan in accordance with this Agreement and the Project Agreement; and

(b) The Ministry of Environment and Natural Resources' Protection and the Ministry of Energy shall carry out Part C of the Project and for that purpose shall be assisted by the Project Implementing Entity in the procurement process related thereto.

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

C. Anti-Corruption

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

D. Safeguards

1. The Borrower shall, and shall cause the Project Implementing Entity to, carry out the Project in accordance with the requirements, criteria, organizational arrangements and operational procedures set forth in the ESIA report, ESMP, RPF and RAP(s), and shall not assign, amend, abrogate or waive the ESIA report, ESMP, RPF and/or RAP(s) or any provision thereof, without prior approval of the Bank.

2. Notwithstanding the foregoing, prior to the issuance of the bidding documents for any contract for works under the Project, the Borrower shall, and shall cause the Project Implementing Entity to:

   (a) prepare an updated ESMP, if necessary in case of changes in the transmission lines location, satisfactory to the Bank, which shall be disclosed in accordance with the ESIA Report and Bank's applicable policies; and

   (b) submit to the Bank for its prior approval: (i) the proposed design and site for said works; and (ii) the proposed contract for said works to ensure that the provisions of the ESIA Report, the RPF and the ESMP are adequately included in said contract; and

3. The Borrower shall, and shall cause the Project Implementing Entity to ensure that: (i) such works are carried out in accordance with the ESIA Report, RPF,
ESMP and respective RAP; (ii) all necessary actions are taken to minimize, to the extent possible, any involuntary loss by Affected Persons of shelter, productive assets or access to productive assets or income or means of livelihood, temporarily or permanently; (iii) all rights to land, usufructs or customary rights and other property are allocated or acquired, equitable compensation thereof is paid and resettlement is carried out in accordance with the principles and institutional procedures established in the RAP(s); (iv) Affected Persons are equitably compensated, resettled and rehabilitated in accordance with the RAP(s); (v) the implementation arrangements for resettlement, including compensation, relocation and rehabilitation of Affected Persons are documented; and (vi) the implementation, monitoring and evaluation of the RAP(s) is completed and reported in a manner satisfactory to the Bank.

4. The Borrower shall ensure that the Project Implementing Entity shall not commence any works for a specific Project site requiring resettlement and/or land acquisition under the Project until the respective RAP is fully implemented.

5. The Borrower shall cause the Project Implementing Entity to ensure that transmission lines built under the Project will not encroach upon any specially protected natural areas.

6. The Borrower shall cause the Project Implementing Entity to establish and implement, throughout the Project implementation, an easily accessible grievance redress mechanism, acceptable to the Bank, to address feedback and grievances relating to the Project.

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

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

B. Financial Management, Financial Reports and Audits

1. The Borrower shall maintain, or cause to be maintained, a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.
2. The Borrower shall cause the Project Implementing Entity to 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 cause the Project Implementing Entity to have the Financial Statements audited in accordance with the provisions of Section 5.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Borrower. The audited Financial Statements for each such period shall be furnished to the Bank not later than six months after the end of such period.

Section III. Procurement

A. General

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

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

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

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

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

2. Other Methods of Procurement of Goods, Works and Non-consulting Services. The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan:
### Procurement Method

(a) National Competitive Bidding, subject to the additional provisions set forth in below:

(i) "Open competitive procedures" (i.e. "public tender") shall be the default rule. A single envelope procedure shall be used for the submission of goods, works, or non-consulting services.

(ii) 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. Advertisements published in foreign language newspapers shall be in compliance with such a 30-day-minimum in number of days for bids preparation and submission.

(iii) Bidding shall not be restricted to pre-registered firms. If registration is required, it shall not be denied to eligible bidders for reasons unrelated to their capacity and resources to successfully perform the contract (e.g., mandatory membership in professional organizations, classification, etc.). Post-qualification shall be conducted to verify that the bidder has the capability and resources to successfully perform the contract.

(iv) Government-owned enterprises in Georgia 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. Government-owned enterprises will be subject to the same bid and performance security requirements as other bidders.

(v) Procuring entities shall use the appropriate Bank's sample bidding documents, including pre-qualification documents, for the procurement of goods, works, or non-consulting services, and such documents shall contain draft contract and conditions of contract including clauses on fraud and corruption, audit and publication of award, all acceptable to the Bank.

(vi) Bids shall be opened in public, immediately after the deadline for submission of bids. Bidder's representatives shall be permitted to attend the bid opening.

(vii) 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.
(viii) Evaluation of bids shall be based on quantifiable criteria expressed in monetary terms as defined in the bidding documents, no merit point system and no domestic preference shall be used in the evaluation of bids. Contracts shall be awarded to qualified bidders having submitted the lowest evaluated substantially responsive bid and no negotiations shall be carried out prior to contract award.

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

(x) No bid shall be rejected purely on the basis that the bid price is higher than the estimated budget for that procurement. All bids shall not be rejected and new bids solicited without the Bank’s prior concurrence.

(b) Shopping

(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:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Quality-Based Selection</td>
</tr>
<tr>
<td>(b) Selection under a Fixed Budget</td>
</tr>
<tr>
<td>(c) Least Cost Selection</td>
</tr>
<tr>
<td>(d) Selection Based on Consultants’ Qualifications</td>
</tr>
<tr>
<td>Procurement Method</td>
</tr>
<tr>
<td>-----------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>(e) Single-Source Selection of consulting firms</td>
</tr>
<tr>
<td>(f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines</td>
</tr>
<tr>
<td>for the Selection of Individual Consultants</td>
</tr>
<tr>
<td>(g) Single-source procedures for the Selection of Individual Consultants</td>
</tr>
</tbody>
</table>

D. Review by the Bank of Procurement Decisions

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

Section IV. Withdrawal of Loan Proceeds

A. General

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

2. The following table specifies the categories of Eligible Expenditures that may be
financed out of the proceeds of the Loan (“Category”), the allocation of the
amounts of the Loan to each Category, and the percentage of expenditures to be
financed for Eligible Expenditures in each Category.
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, and consultants' services for Part A of the Project</td>
<td>52,350,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, small works, non-consulting services, and consultants' services for Parts B and D of the Project</td>
<td>6,500,000</td>
<td>80%</td>
</tr>
<tr>
<td>(3) Consultants' services for Part C of the Project</td>
<td>1,000,000</td>
<td>80%</td>
</tr>
<tr>
<td>(4) Front-end Fee</td>
<td>150,000</td>
<td>Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions</td>
</tr>
<tr>
<td>(5) Interest Rate Cap or Interest Rate Collar premium</td>
<td>0</td>
<td>Amount due pursuant to Section 2.07(c) of this Agreement</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>60,000,000</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 is March 31, 2019.
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>On each May 1 and November 1</td>
<td></td>
</tr>
<tr>
<td>Beginning November 1, 2024 through November 1, 2038</td>
<td>3.33%</td>
</tr>
<tr>
<td>On May 1, 2039</td>
<td>3.43%</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 Screene Rate.

5. If the Withdrawn Loan Balance is denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.
APPENDIX

Definitions

1. "Affected Person" means a person who on account of the acquisition of land for purposes of establishing relocation sites under Parts A and B of the Project had or would have his or her: (i) standard of living adversely affected; or (ii) right, title or interest in any house, or interest in or right to use any land (including premises and agricultural land) or right in annual or perennial crops and trees or any other fixed or movable asset, acquired or possessed, temporarily or permanently; or (iii) business, occupation, work or place of residence or habitat adversely affected, temporarily or permanently, and "Affected Persons" means, collectively, all persons who qualify as an Affected Person.


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


5. "ESIA Report" means the Borrower's environmental and social impact assessment report, acceptable to the Bank dated April 4, 2014, consisting of inter alia: (i) a description of the site where construction activities are to be carried out under the Project and the justification for said activities; (ii) the actual or potential environmental and/or social impact of the construction activities referred to under sub-paragraph (i) above; and (iii) an environmental and social management plan setting forth adequate mitigating measures and systems required to monitor the implementation of the construction activities referred to under sub-paragraph (i) above and to ensure compliance of such activities with said measures with a view to limiting any actual and potential adverse environmental and/or social impact.

6. "ESMP" means the Borrower's environmental and social management plan, acceptable to the Bank, dated April 4, 2014, which is included the ESIA Report describing the environmental and social mitigation, monitoring and institutional measures to be undertaken during the implementation of the Project, and satisfactory to the Bank.


9. "Ministry of Environment and Natural Resources' Protection" means the Borrower's Ministry of Environment and Natural Resources' Protection or any successor thereto.

10. "Operational Manual" means the Project Operational Manual to be adopted by the Project Implementing Entity pursuant to Section 5.01(b) of this Agreement, setting forth the operational, administrative and fiduciary responsibilities, procedures and rules for the implementation of the Project, data collection and reporting, and which includes a manual of financial management procedures that sets out procedures for Project accounting, reporting and audit, disbursements, flow of funds and management of the designated accounts as the same may be amended from time to time with the agreement of the Bank.


12. "Procurement Plan" means the Borrower's procurement plan for the Project, dated April 7, 2014 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.


15. "RAP(s)" means the Borrower's resettlement action plan(s) satisfactory to the Bank, to be prepared and implemented for carrying out the Project in accordance with the RPF (as hereinafter defined), to set out, inter alia, the principles and objectives of the RAP(s), the affected persons' eligibility criteria, compensation, assistance and rehabilitation entitlements, as well as the monitoring and reporting arrangements in conformity with the RPF.
16. "RPF" means the Borrower's resettlement policy framework, satisfactory to the Bank, dated April 4, 2014, and referred to in Part D of Section 1 of Schedule 2 to this Agreement, setting forth, inter alia: (i) the description of areas covered by the Project; (ii) the legal basis and screening process for land acquisition, resettlement and land use in connection with the works to be carried out under Parts A and B of the Project; (iii) the resettlement principles and entitlements of Project Affected Persons based on different categories of impact; (iv) the procedures for valuation, compensation and other assistance provided to the Affected Persons, including the grievance process; (v) the responsibilities, procedures and requirements for the development and implementation of specific resettlement action plans; and (vi) an estimate of the cost of compensation.

17. "Subsidiary Agreement" means the agreement referred to in Section 1.B of Schedule 2 to this Agreement pursuant to which the Borrower shall make the part of the proceeds of the Loan available to the Project Implementing Entity.