Financing Agreement

(Telecommunications Sector Reform Project)

between

REPUBLIC OF THE UNION OF MYANMAR

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated April 4, 2014
FINANCING AGREEMENT

AGREEMENT dated April 4, 2014, entered into between the REPUBLIC OF THE UNION OF MYANMAR ("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) 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 this Agreement (including the Appendix thereto).

ARTICLE II — FINANCING

2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to twenty million six hundred thousand Special Drawing Rights (SDR 20,600,000) (variously, "Credit" and "Financing"), to assist in financing the Project described in Schedule 1 to this Agreement.

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

2.03. The Commitment Charge payable by the Recipient on the Unwithdrawn Financing Balance is at present zero. If, pursuant to decision of the Association’s Board of Executive Directors, a Commitment Charge shall be payable in the future, the Maximum Commitment Charge Rate shall be notified by the Association to the Recipient and shall not exceed one-half of one percent (1/2 of 1%) per annum.

2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%).

2.05. The Payment Dates are February 1 and August 1 in each year.
2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

2.07. The Payment Currency is United States Dollar.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through MCIT in accordance with the provisions of Article IV of the General Conditions.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association 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 IV — EFFECTIVENESS AND TERMINATION

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

4.02. For purposes of Section 8.05 (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 (20) years after the date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Recipient’s Representative is its Minister at the time responsible for finance.

5.02. The Recipient’s Address is:

Ministry of Finance  
Building No. 26  
Nay Pyi Taw  
Myanmar

Facsimile:

95-67-410-198
5.03. The Association’s Address is:

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

Facsimile:  
1-202-477-6391

AGREED at Nay Pyi Taw, Myanmar, as of the day and year first above written.

REPUBLIC OF THE UNION OF MYANMAR

By 

Authorized Representative

Name: (MAUNG MAUNG WIN)  
Title: DIRECTOR GENERAL  
MINISTRY OF FINANCE

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: Ulrich Zachau  
Title: Ceo & Director
SCHEDULE 1

Project Description

The objectives of the Project are to: (a) improve the enabling environment for the telecommunications sector and extend coverage in selected remote pilot locations; and (b) establish priority e-government technological foundations and institutional capacity for the Recipient to embark on its public sector reform program.

The Project consists of the following parts:

Part 1: Creating an Enabling Environment for Connectivity

(a) Development of the enabling policy, legal and regulatory framework for the Recipient’s telecommunications sector reform agenda.

(b) Provision of technical assistance to strengthen the institutional capacity of MCIT and other stakeholders in addressing key technical aspects of the transition to a competitive telecommunications market such as technology trends and policy implications, competition, open access and price regulation, licensing, spectrum management and monitoring, quality of service monitoring and technical regulations.

(c) Development of a radio spectrum management and monitoring system, including the procurement, installation and administration of the system.

(d) Development and implementation of a restructuring and corporatization plan for MPT to separate the telecommunications policy and operational functions of the Recipient’s government.

Part 2: Extending Connectivity to Rural Areas

(a) Development of a national universal telecommunication service strategy and fund (including fund implementation manual), and design of Demonstration Sub-projects.

(b) Provision of Subsidy Payments to eligible Service Providers for the carrying out of eligible Demonstration Sub-projects for extending telecommunications service to selected remote rural areas in the Recipient’s territory.

Part 3: Enabling E-Government Foundations

(a) Development of a national e-government portal which provides users with a mobile friendly, single online platform for access to, and feedback on, information and services offered by the Recipient’s government.
(b) Carrying out a series of visioning and training programs for high-level officials and civil servants in ministries and agencies involved in the e-government processes to enhance their capacity to conceptualize, plan, manage and monitor e-government policies and services.

(c) Establishment and operation an e-government delivery unit tasked with coordinating the implementation of the Recipient's e-government program.

**Part 4: Project Implementation Support**

Provision of the technical and operational assistance to MCIT to carry out the day-to-day coordination, administration, procurement, financial management, environmental and social management, communication, monitoring, evaluation, reporting and audit of the Project.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

Project Steering Committee

1. The Recipient shall maintain, at all times during the implementation of the Project, a Project Steering Committee with a mandate, composition and resources satisfactory to the Association.

2. Without limiting the foregoing, the Project Steering Committee shall meet quarterly or more often if required for the purposes of, inter alia: (a) reviewing the overall progress of the Project and providing strategic and policy direction on all activities under the Project; (b) facilitating the coordination of Project activities among the members of the Project Steering Committee and the removal of any obstacles to the implementation of the Project; (c) endorsing the Annual Work Plans and Budgets; and (d) taking decisions on recommendations forwarded by the MCIT.

Ministry of Communications and Information Technology

3. To facilitate the carrying out of the Project, the Recipient shall maintain, at all times during the implementation of the Project, a dedicated Project management team within MCIT, with functions and resources satisfactory to the Association, and with staff in adequate numbers and with qualifications, experience and terms of reference satisfactory to the Association.

4. Without limiting the foregoing, the MCIT project management team shall be headed by a Project director and comprise, inter alia, a financial management specialist, a procurement specialist, an environmental and social safeguards specialist, and a communication, monitoring and evaluation specialist, and shall be responsible for, inter alia: (a) preparing the draft Annual Work Plans and Budgets for endorsement by the Project Steering Committee and approval by the Association; (b) coordinating the implementation of all Project activities; (c) overseeing and guiding the overall administration of procurement, disbursements and financial management, environmental and social safeguards management, and communication of the Project; (d) carrying out the overall monitoring, evaluation and reporting on Project activities; and (e) functioning as a secretariat of, and reporting to, the Project Steering Committee, and liaising with the Association on any matters related to the progress of the Project and the use of the proceeds of the Financing.
B. Project Implementation Manual; Demonstration Sub-projects Manual

1. The Recipient shall prepare and adopt a Demonstration Sub-projects Manual, in form and substance satisfactory to the Association, containing the eligibility criteria for Service Providers, Demonstration Sub-projects, Subsidy Payments and Outputs, the model Service Agreement and the detailed arrangements and procedures for appraisal, approval, administration and supervision of Demonstration Sub-projects.

2. The Recipient shall ensure that the Project is carried out in accordance with the arrangements and procedures set out in the PIM and the DSM (provided, however, that in the case of any conflict between the arrangements and procedures set out in the PIM or the DSM and the provisions of this Agreement, the provisions of this Agreement shall prevail) and, except as the Association shall otherwise agree, shall not amend, abrogate or waive any provision of the PIM and the DSM.

C. Annual Work Plans and Budgets

1. The Recipient shall prepare and furnish to the Association for its approval not later than two (2) months before the beginning of each Fiscal Year during the implementation of the Project (or such later date as the Association may agree), commencing with Fiscal Year 2015, an Annual Work Plan and Budget containing all eligible Project activities and expenditures, including Subprojects, proposed to be included in the Project for the Fiscal Year, including a specification of the source or sources of financing for all eligible expenditures, and environmental and social safeguard measures taken or planned to be taken in accordance with the provisions of Part D of this Schedule.

2. The Recipient shall ensure that the Project is implemented in accordance with the Annual Work Plans and Budgets approved by the Association for the respective Fiscal Year; provided, however, that in case of any conflict between the Annual Work Plans and Budgets and the provisions of this Agreement, the provisions of this Agreement shall prevail.

3. The Recipient shall not make or allow to be made any change to the Annual Work Plans and Budgets without prior approval in writing by the Association.

D. Environmental and Social Safeguards

1. The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Environmental and Social Management Framework and the relevant Safeguard Assessments and Plans.
2. Whenever a Safeguard Assessment and Plan shall be required for any proposed Project activity in accordance with the provisions of the ESMF, the Recipient shall:

(a) prior to the commencement of such activity, proceed to have such Safeguard Assessment and Plan: (i) prepared in accordance with the provisions of the ESMF; (ii) furnished to the Association for review and approval; and (iii) thereafter adopted and disclosed as approved by the Association, in a manner satisfactory to the Association; and

(b) thereafter take such measures as shall be necessary or appropriate to ensure compliance with the requirements of such Safeguard Assessment and Plan.

3. The Recipient shall not amend, abrogate or waive, or permit to be amended, abrogated or waived, the ESMF or any Safeguard Assessments and Plans, unless the Association has provided its prior approval thereof in writing, and the Recipient has complied with the same consultation and disclosure requirements as applicable to the original adoption of the said instruments.

4. Without limitation on the foregoing, the Recipient shall ensure that:

(a) any land required for any Project activity shall be leased on the basis of lease agreements on terms and conditions acceptable to the Association and processed in accordance with the Land Lease Guidelines set out in the ESMF; and

(b) no Project activity shall be approved and carried out which requires or may result in: (i) the purchase of land; (ii) the involuntary taking of land resulting in any Affected Person(s)’ (A) relocation or loss of shelter; (B) loss of assets or access to assets; or (C) loss of income sources or means of livelihood, whether or not such person must move to another location; or (iii) the involuntary restriction or access of any Affected Person(s) to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person(s).

5. The Recipient shall ensure that:

(a) all terms of reference for any technical assistance or studies carried out under the Project are consistent with, and pay due attention to, the Association’s environmental and social safeguards policies, as well as the Recipient’s own laws relating to the environment and social aspects; and
(b) in drafting any regulations, guidelines or corporate procedures and carrying out capacity building activities under the Project, due attention is given to said policies and laws.

6. Without limitation on its other reporting obligations under this Agreement, the Recipient shall collect, compile and submit to the Association on a quarterly basis (or such other frequency as may be agreed with the Association) consolidated reports on the status of compliance with the ESMF and the Safeguard Assessments and Plans, giving details of:

(a) measures taken in accordance with the said instruments;

(b) conditions, if any, which interfere or threaten to interfere with the implementation of the said measures; and

(c) remedial measures taken or required to be taken to address such conditions.

7. In the event of any conflict between the provisions of any of the ESMF or the Safeguard Assessments and Plans, and the provisions of this Agreement, the provisions of this Agreement shall prevail.

E. Demonstration Sub-projects and Service Agreements

1. The Recipient shall ensure that Demonstration Sub-projects are appraised and approved on the basis of the eligibility criteria and are carried out in accordance with the provisions of this Agreement, the DSM, the ESMF and relevant Safeguard Assessments and Plans.

2. Without limitation on the foregoing, the Recipient shall make each Subsidy Payment under a Service Agreement with the respective Service Provider in accordance with the DSM and under terms and conditions approved by the Association, which shall include, inter alia:

(a) that the Subsidy Payment shall be made:

   (i) as a one-time subsidy payable in installments and provided on non-refundable grant terms; and

   (ii) based on Outputs delivered, in accordance with the evidence submitted by the Service Provider and verified by the Recipient, all as set forth in the Service Agreement and the DSM.

(b) The Recipient shall obtain rights adequate to protect its interests and those of the Association, including the right to:
(i) suspend or terminate the right of the Service Provider to use the proceeds of the Subsidy Payment, or obtain a refund of all or any part of the amount of the Subsidy Payment then withdrawn, upon the Service Provider’s failure to perform any of its obligations under the Service Agreement; and

(ii) require each Service Provider to:

(A) carry out the Demonstration Sub-project with due diligence and efficiency and in accordance with appropriate technical, economic, financial, managerial, environmental and social standards and practices, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of Credit proceeds other than the Recipient;

(B) provide, promptly as needed, the resources required for the purpose;

(C) procure the goods, works and services to be financed out of the Subsidy Payment in accordance with the provisions of this Agreement;

(D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Demonstration Sub-project and the achievement of its objectives;

(E) comply with the environmental and social safeguard requirements set forth in this Agreement, including those provided in the ESMF;

(F) (1) 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 the Demonstration Sub-project; and (2) at the Association’s or the Recipient’s request, 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;
enable the Recipient and the Association to inspect the Demonstration Sub-project, its operation and any relevant records and documents; and

prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing.

3. No Subsidy Payment shall be eligible for financing out of the proceeds of the Financing, unless the respective Demonstration Sub-project in respect of which payment is requested has been appraised, approved and administered in accordance with the provisions of paragraph 1 of this Part E, the respective Service Agreement has been executed on the terms and conditions referred to in paragraph 2 of this Part E, and the Output against which the payment is requested has been achieved and verified in accordance with the DSM.

4. The Recipient shall exercise its rights and perform its obligations under each Service 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 in writing, the Recipient shall not assign, amend, abrogate or waive any Service Agreement or any of its provisions.

F. Anti-Corruption

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

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association and specified in the Project Implementation Manual. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Association not later than forty five (45) days after the end of the period covered by such report.

2. The Recipient shall: (a) on or about the date thirty (30) months after the Effective Date, prepare and furnish to the Association a mid-term report, in such detail as the Association shall reasonably request, documenting progress achieved in the carrying out of the Project during the period preceding the date of such report, taking into account the monitoring and evaluation activities performed pursuant to paragraph 1 of this Part A, and setting out the measures
recommended to ensure the continued efficient carrying out of the Project and the achievement of its objectives during the period following such date; and (b) review with the Association such mid-term report, on or about the date one month after its submission, and thereafter take all measures required to ensure the continued efficient implementation of the Project and the achievement of its objectives, based on the conclusions and recommendations of the mid-term report and the Association’s views on the matter.

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, as part of the Project Report, not later than 45 days after the end of each calendar semester, interim unaudited financial reports for the Project covering the semester, 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 Fiscal Year. The audited Financial Statements for each such period shall be furnished to the Association 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 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) Shopping; (b) Direct Contracting; and (c) Procurement from United Nations Agencies.

**C. Particular Methods of Procurement of Consultants’ Services**

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.

2. **Other Methods of Procurement of Consultants’ Services.** The following methods, other than Quality and Cost-based Selection, may be used for procurement of consultants’ services for those contracts which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Least Cost Selection; (c) Selection based on Consultants’ Qualifications; (d) Single-source Selection of consulting firms; (e) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (f) 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 the Proceeds of the Financing**

**A. General**

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall 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 Association 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 Financing (“Category”), the allocations of the amounts of the Financing 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 Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consultants’ services, Training and Operating Costs for all Parts of the Project except Part 2(b) of the Project</td>
<td>14,060,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Subsidy Payments for Sub-projects under Part 2(b) of the Project</td>
<td>6,540,000</td>
<td>100% of amounts payable for Outputs delivered under the respective Service Agreement</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>20,600,000</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:

   (a) for payments made prior to the date of this Agreement; or

   (b) for payments made under Category (2), unless the Recipient has adopted the Demonstration Sub-projects Manual, in form and substance acceptable to the Association.

2. The Closing Date is December 31, 2019.
SCHEDULE 3

Repayment Schedule

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each February 1 and August 1:</td>
<td></td>
</tr>
<tr>
<td>commencing August 1, 2024 to and including February 1, 2034</td>
<td>1%</td>
</tr>
<tr>
<td>commencing August 1, 2034 to and including February 1, 2054</td>
<td>2%</td>
</tr>
</tbody>
</table>

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03 (b) of the General Conditions.
APPENDIX

Definitions

1. “Affected Persons” means any person who, on account of the execution of the Project, has experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such person must move to another location; or (b) the involuntary restriction or access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person.

2. “Annual Work Plan and Budget” means each annual work plan, together with the related budget, for the Project approved by the Association pursuant to the provisions of Section I.C of Schedule 2 to this Agreement.


4. “Board of Directors” means the International Development Association’s Board of Executive Directors referred to in Article VI, Section 4 of the Association’s Articles of Agreement which came into effect on September 24, 1960.


6. “Demonstration Sub-project” means any sub-project to be carried out under Part 2(b) of the Project.

7. “Demonstration Sub-projects Manual” and the acronym “DSM” means the manual, in form and substance satisfactory to the Association, to be adopted by the Recipient in accordance with Section I.B.1 of Schedule 2 to this Agreement, as said manual may be modified from time to time with prior written approval of the Association, and such term includes any annexes and schedules to such manual.

8. “Environmental and Social Assessment” means any assessment to be prepared in accordance with the environmental and social screening guidelines, procedures and forms included in the ESMF, pursuant to Section I.D of Schedule 2 to this Agreement, each such assessment in form and substance satisfactory to the Association, defining details of potential environmental and social risks and adverse impacts associated with the implementation of Project activities, as said assessment may be modified from time to time with the prior written approval of
the Association, and such term includes any annexes and schedules to such assessment.

9. "Environmental and Social Management Framework" and the acronym "ESMF" mean the Recipient’s framework dated November 29, 2013, setting out the principles, standards, processes and tools to be applied to assess potential adverse environmental and social impacts associated with Project activities and the ways to avoid, minimize and/or mitigate them, with related public consultation, disclosure, reporting and grievance redress procedures, including, inter alia, the guidelines, procedures and forms for preparing and implementing Environmental and Social Assessments and Environmental Management Plans, the Environmental Code of Practice, the Land Lease Guidelines, and the Ethnic Minority Planning Framework, as said framework may be modified from time to time with the prior written approval of the Association, and such term includes any schedules or annexes to such framework.

10. "Environmental Code of Practice" means the code included in the ESMF, setting out measures and procedures to avoid, minimize and/or mitigate any adverse environmental, social, health and safety impacts that may result from the implementation of the Project, as said code may be modified from time to time with the prior written approval of the Association, and such term includes any annexes and schedules to such code.

11. "Environmental Management Plan" means any plan to be prepared in accordance with the guidelines, procedures and forms included in the ESMF, pursuant to Section I.D of Schedule 2 to this Agreement, each such plan in form and substance satisfactory to the Association, defining details of measures to manage potential environmental risks and avoid, minimize and/or mitigate any adverse environmental impacts associated with the implementation of Project activities, together with adequate budget, institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with, its terms, as said plan may be modified from time to time with the prior written approval of the Association, and such term includes any annexes and schedules to such plan.

12. "Ethnic Minority Planning Framework" means the framework included in the ESMF, setting out the measures and procedures to ensure the free, prior and informed consultation of Indigenous Peoples affected by any proposed Project activity, resulting in their broad community support for such activity, including the preparation of Ethnic Minority Plans, as said framework may be modified from time to time with the prior written approval of the Association, and such term includes any annexes and schedules to such framework.

13. "Ethnic Minority Plan" means any plan prepared in accordance with the Ethnic Minority Planning Framework, setting out measures and procedures to ensure
culturally appropriate social and economic benefits for the Indigenous Peoples affected by any Project activity, and to avoid, minimize, or mitigate or compensate for any potential adverse effects on the Indigenous People associated with such activity, as said plan may be modified from time to time with the prior written approval of the Association, and such term includes any annexes and schedules to such plan.

14. “Fiscal Year” means the Recipient’s fiscal year commencing on April 1 of each year and ending on March 31 of the following year.


16. “Indigenous Peoples” means those social groups in the Recipient’s territory that have a distinct, vulnerable, social and cultural identity, and that are susceptible to being disadvantaged in the development process affected by the Project or any part thereof, and that possess the following characteristics in varying degrees: (a) self-identification as members of a distinct indigenous cultural group and recognition of this identity by others; (b) collective attachment to geographically distinct habitats or ancestral territories in the Project area and to the natural resources in these habitats and territories; (c) customary cultural, economic, social, or political institutions that are separate from those of the dominant society and culture; (d) an indigenous language; (e) having a subsistence economy, (f) using simple tools and technology, (g) having a high dependence on the environment and local natural resources, and (h) having restricted access to social, economic and political services.

17. “Land Lease Guidelines” means the guidelines included in the ESMF, setting out the measures and procedures for leasing land required for any Project activity, as said guidelines may be modified from time to time with the prior written approval of the Association, and such term includes any annexes and schedules to such guidelines.

18. “MCIT” means the Recipient’s Ministry of Communications and Information Technology, and any successor thereto.

19. “MPT” means the Myanmar Post and Telecommunications, an entity of the Recipient established under the laws of the Recipient to provide post, telegraph and telecommunication services in Myanmar to, and any successor thereto.

20. “Operating Costs” means the reasonable costs of goods and non-consulting services required for the day-to-day coordination, administration and supervision of Project activities as set forth in the respective Annual Work Plan and Budget, including leasing and/or routine repair and maintenance of vehicles, equipment, facilities and office premises, fuel, office supplies, utilities, consumables,
communication expenses (including postage, telephone and internet costs), translation, printing and photocopying expenses, bank charges, publications and advertising expenses, insurance, Project-related meeting expenses, Project-related travel, subsistence and lodging expenses, and other administrative costs directly related to the Project, but excluding salaries, bonuses, fees and honoraria or equivalent payments of members of the Recipient's civil service.

21. “Output” means any of the outputs to be delivered by a Service Provider under a Demonstration Sub-project eligible for financing by a Subsidy Payment as set forth in the DSM and the respective Service Agreement.


23. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated December 23, 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.

24. “Project Implementation Manual” and the acronym “PIM” means the Recipient’s manual referred to in Section I.B.1 of Schedule 2 to this Agreement, in form and substance satisfactory to the Association, containing detailed arrangements and procedures for: (i) institutional coordination and day-to-day execution of the Project; (ii) disbursement and financial management; (iii) procurement; (iv) environmental and social safeguards management; (v) monitoring and evaluation, reporting and communication; and (vi) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project, as said manual may be modified from time to time with prior approval in writing of the Association, and such term includes any schedules to the Project Implementation Manual.

25. “Project Steering Committee” means the committee to be maintained by the Recipient in accordance with the provisions of Section I.A.1 of Schedule 2 to this Agreement.

26. “Safeguard Assessment and Plan” means any Environmental and Social Assessment, Environmental Management Plan, and Ethnic Minority Plan, prepared or to be prepared by the Recipient in accordance with the ESMF and the provisions of Section I.D of Schedule 2 to this Agreement, as said assessment and plan may be modified from time to time with the prior written approval of the Association, and such term includes any annexes and schedules to such assessment and plan; and “Safeguard Assessments and Plans” means, collectively, all such assessments and plans.
27. "Service Agreement" means any of the agreements to be entered into between the Recipient and a Service Provider in accordance with the provisions of Section I.E of Schedule 2 to this Agreement.

28. "Service Provider" means a telecommunications operator selected through a competitive bidding procedure in accordance with the procedures and eligibility criteria of the DSM to carry out a Demonstration Sub-project, and receive a Subsidy Payment for the partial financing thereof.

29. "Subsidy Payment" means a payment made or to be made by the Recipient to a Service Provider for the financing of part of the cost of the goods, works and services required for the carrying out of a Demonstration Sub-project in accordance with terms and conditions of the Service Agreement.

30. "Training" means the reasonable costs of goods and services required for the participation of personnel involved in training activities, workshops and study tours under the Project as set forth in the respective Annual Work Plan and Budget, including travel and subsistence costs for training, workshop and study tour participants, costs associated with securing the services of trainers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training course, workshop or study tour preparation and implementation, but excluding consultants' fees.