Financing Agreement  
(Additional Financing for Fourth Roads Rehabilitation and Maintenance Project) 

between 

REPUBLIC OF NICARAGUA 

and 

INTERNATIONAL DEVELOPMENT ASSOCIATION 

Dated July 6, 2010
FINANCING AGREEMENT

Agreement dated July 6, 2010, entered into between REPUBLIC OF NICARAGUA ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") for the purpose of providing additional financing for activities related to the Original Project (as defined in the Appendix to this Agreement). 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 the Appendix to this Agreement or in the Appendix to the Original Financing Agreement, as the case may be.

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 grant and a credit (collectively, "Financing") in the following amounts to assist in financing the project described in Schedule 1 to this Agreement ("Project"):

(a) an amount equivalent to twenty one million Special Drawing Rights (SDR 21,000,000) ("Grant"); and

(b) an amount equivalent to five million Special Drawing Rights (SDR 5,000,000) ("Credit").

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 Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be 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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.

2.05. The Payment Dates are March 1 and September 1 in each year.

2.06. The Payment Currency is United States dollars.
ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient, through MTI, shall: (a) carry out Parts A, B and D of the Project; and (b) shall cause FOMAV to carry out Part C of the Project pursuant to the Amended Subsidiary Agreement, all 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 — REMEDIES OF THE ASSOCIATION

4.01. The Additional Events of Suspension consist of the following:

(a) The FOMAV Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely, in the opinion of the Association, the ability of the FOMAV to perform any of its obligations under the Project Agreement.

(b) The Procurement Law has been amended, suspended, abrogated, repealed or waived so as to render its Article 3(f) ineffective, in the opinion of the Association, and no provision analogous to such Article 3(f) has been adopted to replace said provision.

4.02. The Additional Event of Acceleration consists of the following, namely that any event specified in paragraphs (a) and (b) of section 4.01 of this Agreement occurs.

ARTICLE V — Effectiveness; Termination

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

(a) the Operational Manual has been amended as provided in Section I.A.4 of Schedule 2 to this Agreement; and

(b) the Amended Subsidiary Agreement has been signed by the parties thereto.

5.02. The Additional Legal Matter consists of the following, namely, that the Amended Subsidiary Agreement has been duly authorized or ratified by the Recipient and the FOMAV and is legally binding upon the Recipient and the FOMAV in accordance with its terms.
5.03. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement but in no case later than the eighteen (18) months after the Association’s approval of the Financing which expire on December 1, 2011.

5.04. 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 years after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient’s Representative is its Minister of Finance and Public Credit.

6.02. The Recipient’s Address is:

Ministerio de Hacienda y Crédito Público
Frente al Edificio de la Asamblea Nacional
Managua
Nicaragua

Facsimile:
011-505-222-3033

6.03. The Association’s Address is:

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

Cable: Telex: Facsimile:
INDEVAS 248423 (MCI) 1-202-477-6391
AGREED at the District of Columbia, United States of America, as of the day and year first above written.

REPUBLIC OF NICARAGUA

By /s/ Alberto José Guevara Obregón

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Laura Frigenti

Authorized Representative
SCHEDULE 1

Project Description

The objectives of the Project are to: (a) improve the Recipient’s transport infrastructure along selected main road corridors; (b) improve access to productive zones and to rural communities; and (c) ensure the sustainability of the road improvements carried out under the Project.

The Project consists of the following parts included in the Original Project, as amended solely for the purposes of the Financing:

Part A: Road Rehabilitation and Improvement

Rehabilitation and improvement of the Diriamba - Casares road and the La Virgen - San Juan del Sur road.

Part B: Rural Transport Improvement

Carrying out of restoration works to gravel or cobblestone stabilization standards of approximately 320 kilometers of secondary and tertiary rural roads, all within the existing right of way.

Part C: Routine and Periodic Maintenance

1. Carrying out of routine maintenance works of approximately 2700 kilometers of trunk, secondary and/or tertiary roads; and

2. Carrying out of periodic maintenance works of an additional 47 kilometers of selected main roads, in order to complete the established target of periodic maintenance of 80 kilometers of selected main roads, all within the existing right of way.

Part D: Studies, Technical Assistance and Training

Provision of consultants’ services, equipment and training, as needed for:

1. Monitoring the performance of the components of the Project, including the updating of the Project’s core indicator as set forth in the Amended Operational Manual, the management and supervision of civil work contracts, the design and implementation of training programs, technical audits, transport sector reviews, the strengthening of MTI’s capacity for technical, social and environmental analysis, holding of workshops on road network decentralization, designing and undertaking preparatory work for reforms in the area of axle-load control,
strengthening the capacity of the FOMAV for road maintenance management, and the preparation of the implementation completion report of the Project.

2. Design and supervision of the overall road maintenance program by contractors, including, \textit{inter alia}:

(a) the training for: (i) the staff of MTI and the FOMAV; and (ii) the Microenterprises, required thereto; and

(b) the operation of the FOMAV, including the design of promotional activities.

3. The improvement of the planning and programming capacity of MTI, including the integration of environmental and social practices in the planning cycle.

4. The preparation of feasibility studies and detailed engineering for the road rehabilitation, improvement and maintenance works to be carried out under the Project and supervision thereof.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements; Anti-Corruption

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

2. Without limitation to the provisions of Section I.A.1 of this Schedule, the Recipient shall cause the FOMAV to ensure that the FOMAV will comply with the applicable provisions of the Anti-Corruption Guidelines in respect of Part C of the Project.

3. The Recipient shall carry out Parts A, B and D of the Project, and cause FOMAV to carry out Part C of the Project, all in accordance with the pertinent provisions of Schedule 2 to the Original Financing Agreement, as applicable to the Project.

4. The Recipient shall: (a) amend the Operational Manual (the Amended Operational Manual) in a manner satisfactory to the Association so as to update the pertinent provisions of the Operational Manual, all for purposes of scaling up of activities immediately relevant to the Additional Financing including, inter alia, revising the indicators agreed with the Association; and (b) carry out Parts A, B and D of the Project, and cause FOMAV to carry out Part C of the Project, all in accordance with the pertinent provisions of the Amended Operational Manual.

5. In case of any conflict between the terms of the Amended Operational Manual and those of this Agreement, the terms of this Agreement shall prevail.

6. The Recipient shall ensure that Routine Maintenance Subprojects are carried out by Microenterprises in accordance with procedures satisfactory to the Association.

7. The Recipient shall, until completion of the Project:

(a) allocate in and make available from its annual budget, and/or make available from the FOMAV, the funds required, in amounts satisfactory to the Association, for the maintenance of its road network;
(b) furnish each of the FOMAV’s annual work plans to the Association, each of which shall be in form and substance satisfactory to the Association and in conformity with the relevant provisions of the Amended Operational Manual; and

(c) continue to staff the FOMAV with personnel in numbers and with qualifications acceptable to the Association.

8. Except as otherwise agreed by the Association, the Recipient shall:

(a) include in its annual budget proposals submitted to the National Assembly, the minimum amounts per year of Project implementation, as set forth in the Amended Operational Manual, to finance its program of road maintenance implemented by contractors, including Microenterprises; and

(b) ensure that the minimum number of kilometers of roads, as set forth in the Amended Operational Manual, are annually maintained through such program of road maintenance.

B. Subsidiary Agreement

1. For purposes of enabling FOMAV to carry out Part C of the Project, the Recipient shall amend the Subsidiary Agreement (the Amended Subsidiary Agreement) under terms and conditions which shall have been approved by the Association which shall include, inter alia: (a) the obligation of the Recipient to: (i) transfer, on a grant basis, the proceeds of the Financing allocated to Part C of the Project to FOMAV to enable FOMAV to carry out Part C of the Project; and (ii) transfer the FOMAV Funds to the FOMAV on or before the 20th day of each month; and (b) the obligation of FOMAV to: (i) carry out Part C of the Project in accordance with the pertinent provisions of this Agreement, including the provisions of the Anti-Corruption Guidelines; and (ii) take or permit to be taken all action to enable the Recipient to comply with its obligations under this Agreement in respect of Part C of the Project.

2. The Recipient shall exercise its rights and carry out its obligations under the Amended Subsidiary Agreement in such a 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, terminate or waive the Amended Subsidiary Agreement or any of its provisions.
C. Safeguards

1. The Recipient, through MTI, shall: (a) carry out Part B of the Project in accordance with the relevant EMPs; and (b) cause FOMAV to carry out Part C of the Project, in accordance with the relevant environmental management plans as referred to in Section I.C.3 (b) of this Schedule.

2. The Recipient, through MTI, shall ensure, and cause FOMAV to ensure, that any works under Subprojects to be carried out under the Project do not involve any Resettlement.

3. (a) Prior to the approval of any proposed civil works to be included under any Routine Maintenance Subproject and any Periodic Maintenance Subproject, the Recipient shall:

(i) carry out an environmental screening and assessment of such proposed works, as prescribed in the Amended Operational Manual; and

(ii) immediately thereafter, prepare an environmental management plan (acceptable to the Association), which plan shall include the provisions for the prevention, mitigation and remediation of any potential environmental damage arising from the implementation of such proposed civil works.

(b) During the implementation of any civil works under any Routine Maintenance Subproject and any Periodic Maintenance Subproject, the Recipient shall carry out, or cause to be carried out, the provisions of the relevant environmental management plan referred to in subparagraph (a) (ii) above, in accordance with their terms and in a manner acceptable to the Association.

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 the revised indicators as set forth in the amended Operational Manual. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Association not later than 45 days after the end of the period covered by such report.
2. For purposes of Section 4.08 (c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Association not later than six months after the closing date.

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 interim unaudited financial reports for the Project covering the semester covered by the Project Report, 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 of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than four months after the end of such period.

Section III. Procurement

A. General

1. Goods and Works. All goods and works 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 the Procurement Guidelines, or Consultant Guidelines, as the case may be.

4. Stipulation of Procedures under the Procurement Law. For purposes of Article 3(f) of the Procurement Law, the Procurement Guidelines, the Consultant Guidelines, and the provisions of this Schedule and the Approved SBDs collectively constitute the stipulated procedures for the procurement of goods and services financed under this Agreement.
B. Particular Methods of Procurement of Goods and Works

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

2. **Other Methods of Procurement of Goods and Works.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) National Competitive Bidding, subject to the additional provisions set forth</td>
</tr>
<tr>
<td>in Annex A to this Schedule 2</td>
</tr>
<tr>
<td>(b) Shopping</td>
</tr>
<tr>
<td>(c) Direct Contracting with Microenterprises and Community Organizations, as</td>
</tr>
<tr>
<td>further specified in the Current Operational Manual</td>
</tr>
<tr>
<td>(d) Force Account. Works which the Association agrees meet the requirements for</td>
</tr>
<tr>
<td>Force Account may be carried out in accordance with the provisions of said method</td>
</tr>
</tbody>
</table>

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 table specifies methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants’ services. The Procurement Plan shall specify the circumstances under which such methods may be used:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Least Cost Selection</td>
</tr>
<tr>
<td>(b) Selection Based on Consultant’s Qualifications</td>
</tr>
<tr>
<td>(c) Single Source Selection</td>
</tr>
<tr>
<td>(d) Procedures set forth in paragraphs 5.1 through 5.3 of the Consultant</td>
</tr>
<tr>
<td>Guidelines for the Selection of Individual Consultants</td>
</tr>
</tbody>
</table>
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 Credit and 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 Credit Allocated (expressed in SDR)</th>
<th>Amount of the Grant Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Works</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) (under Rural Transport Improvement Subprojects) in respect to Part B of the Project</td>
<td>5,000,000</td>
<td>14,200,000</td>
<td>85%</td>
</tr>
<tr>
<td>(b) (under Routine Maintenance Subprojects) in respect to Part C.1 of the Project</td>
<td>0</td>
<td>800,000</td>
<td>80%</td>
</tr>
<tr>
<td>(c) (under Periodic Maintenance Subprojects) in respect to Part C.2 of the Project</td>
<td>0</td>
<td>2,600,000</td>
<td>85%</td>
</tr>
<tr>
<td>Category</td>
<td>Amount of the Credit Allocated (expressed in SDR)</td>
<td>Amount of the Grant Allocated (expressed in SDR)</td>
<td>Percentage of Expenditures to be Financed</td>
</tr>
<tr>
<td>----------</td>
<td>-----------------------------------------------</td>
<td>-----------------------------------------------</td>
<td>-----------------------------------------</td>
</tr>
<tr>
<td>(2) Goods</td>
<td>0</td>
<td>350,000</td>
<td>100% of Foreign Expenditures; and 85% of Local Expenditures</td>
</tr>
<tr>
<td>(3) Consultant’s services</td>
<td>0</td>
<td>2,100,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Training</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) for MTI’s and FOMAV’s staff</td>
<td>0</td>
<td>400,000</td>
<td>100%</td>
</tr>
<tr>
<td>(b) for Microenterprises</td>
<td>0</td>
<td>10,000</td>
<td>80%</td>
</tr>
<tr>
<td>(5) Unallocated</td>
<td></td>
<td>540,000</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>5,000,000</strong></td>
<td><strong>21,000,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

3. For purposes of the table in paragraph 2 above, the term Training under:

(a) Category (4) (a) means expenditures for the cost of: (i) tuition, travel and *per diem* for the members of the staff of MTI or the FOMAV that participate in training activities; (ii) renting sites for the delivery of training; (iii) printing training materials; and (iv) other costs related to the training referred to in Part D.2 of the Project; and

(b) Category (4) (b) means expenditures for: (i) the cost of fuel, oil, lubricants, spare parts and other costs of operating MTI's vehicles assigned to cover the transportation needs related to the training of Microenterprises under Part D.2 of the Project; (ii) the fees and *per diem* of promoters of the Recipient's program of road maintenance by Microenterprises; (iii) the cost of renting sites for the delivery of training; (iv) the cost of printing training materials; and (v) other costs related to the training referred to in Part D.2 of the Project.
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, except that withdrawals up to an aggregate amount not to exceed US Dollars seven million eight hundred thousand ($7,860,000) equivalent may be made for payments made prior to this date but on or after July 1, 2010 for Eligible Expenditures; and
   (b) for payments made for expenditures under Categories 1 (b) and 1(c) unless the FOMAV’s work plan for 2010 is in a form and substance satisfactory to the Association and in conformity with the relevant provisions of the amended Operational Manual.

2. The Closing Date is December 31, 2012.
Annex A
to
SCHEDULE 2

Additional Provisions Relating to
Particular Methods of Procurement of Goods and Works

Without limitation upon the provisions of Schedule 2 of this Agreement or the Procurement Guidelines, the following additional provisions shall apply to all goods and works procured for the Project (pursuant to Section III.A.1 of Schedule 2 of this Agreement) under contracts awarded on the basis of National Competitive Bidding ("NCB Contracts"):

1. The Recipient shall submit all of the bidding documents that it proposes to use for the procurement of goods and works under NCB Contracts (the "Standard Bidding Documents") to the Association for its approval before the Recipient issues its first invitation for bids for any of the NCB Contracts for the Project. Except as the Association shall otherwise agree, the Recipient shall not amend, revise or otherwise modify or change the Standard Bidding Documents that have been approved by the Association in accordance with the foregoing sentence (the "Approved SBDs").

2. Each bid shall be evaluated and the corresponding contract awarded to the responsive bidder: (a) who meets the appropriate technical and financial standards or capabilities; and (b) whose bid has been determined to be the lowest evaluated bid. Such determination shall be made exclusively on the basis of the specifications, conditions and evaluation criteria stipulated in the Approved SBDs. If the bid evaluation will consider any factor other than the amount or amounts of each bid, the Approved SBDs will precisely stipulate and describe each such factor, including, inter alia, the manner in which such factor will be quantified and given a relative weight for purposes of determining the lowest evaluated bid. For purposes of bid evaluation and comparison, the only bid amount or amounts to be used as a factor shall be the bid amount or amounts as quoted in the corresponding bid, as such bid may be corrected by the Recipient for arithmetic errors.

3. Foreign bidders shall not, as a condition for submitting bids, be required to:

   (a) be registered in the Recipient’s territory; or
   (b) have a representative in the Recipient’s territory.

4. Bidders shall not be allowed to examine the proposals of other bidders during the bid opening.
### 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 March 1 and September 1:</td>
<td></td>
</tr>
</tbody>
</table>
| commencing September 1, 2020 to and including March 1, 2030 | 1%
| commencing September 1, 2030 to and including March 1, 2050 | 2% |

* 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

Section I. Definitions

1. “Amended Operational Manual” means the Recipient’s manual referred to in Section I.A.4 of Schedule 2 to this Agreement.

2. “Amended Subsidiary Agreement” means the agreement referred to in Section I.B.1 of Schedule 2 to this Agreement.


4. “Community Organizations” means organizations composed of members of communities adjoining the rural roads, which have been selected by the Recipient and approved by the Association for purposes of carrying out improvement of rural roads under Part B of the Project.


6. “EMPs” means the Recipient’s environmental management plans for Rural Transport Improvement Subprojects, dated: (i) January 2006 (Nueva Guinea – Bluefields); (ii) April 2008 (Km 41.36 Carretera Norte – San Francisco Libre – Los Zarzales); (iii) September 2008 (El Quino – Santa Cruz – Mérida); (iv) October 2008 (Las Lajitas – Cuapa); (v) October 2008 (Teustepe – San José de los Remates); (vi) November 2008 (La Subasta – Camoapa); (vii) October 2009 (Empalmes Cuyali – Empalmes Las Cruces); (viii) October 2009 (Empalme Las Cruces – Pantasma); (ix) November 2009 (Santa Lucía – Boaco); (x) November 2009 (Rancho Rojo – La Calamidad); and (xi) April 2010 (Empalmes Cuyali - Abisinia - Puente la Pavona), and acceptable to the Association (included in the Operational Manual), addressing the environmental, forestry, natural habitats and cultural property safeguard requirements, and including the actions/provisions to be undertaken for the prevention, mitigation and remediation of any potential environmental damage arising from the implementation of civil works, all under Rural Transport Improvement Subprojects; as said plans may be amended from time to time with the prior no objection from the Association.

7. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005 (as amended through October 15, 2006).
8. “Microenterprises” means cooperatives or associations which shall have been selected by the Recipient and approved by the Association for purposes of carrying out routine road maintenance activities under Part C.1 of the Project.


10. “Original Project” means the Project described in the Original Financing Agreement.


13. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated April 20, 2010 and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

14. “Resettlement” means the impact of an involuntary taking of land under the Project, which taking causes affected persons to have their: (i) standard of living adversely affected; or (ii) right, title or interest in any house, land (including premises, agricultural and grazing land) or any other fixed or movable asset acquired or possessed, temporarily or permanently; or (iii) access to productive assets adversely affected, temporarily or permanently; or (iv) business, occupation, work or place of residence or habitat adversely affected, temporarily or permanently.

15. “Routine Maintenance Subprojects” means any routine maintenance works under Part C.1 of the Project.


17. “Standard Bidding Documents” has the meaning given to it in paragraph 1 of Annex A to Schedule 2 to this Agreement.

18. “Subprojects” means any: (i) Periodic Maintenance Subprojects; (ii) Rural Transport Improvement Subprojects; and (iii) Routine Maintenance Subprojects.