
LOAN NUMBER 8098-DO

Loan Agreement

(Additional Financing for the Emergency Recovery
and Disaster Management Project)

between

DOMINICAN REPUBLIC

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated November 18, 2011

LOAN AGREEMENT

Agreement dated November 18, 2011, between DOMINICAN REPUBLIC (“Borrower”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”) for the purpose of providing additional financing for activities related to the Original Project (as defined in the Appendix to this Agreement). 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 twenty million Dollars (\$20,000,000), 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 Fixed 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 Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be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 March 15 and September 15 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 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 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 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.
- (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.
- 2.08. Without limitation upon the provisions of paragraph (a) of Section 2.07 of this Agreement and unless otherwise notified by the Borrower to the Bank in accordance with the provisions of the Conversion Guidelines, the interest rate basis applicable to consecutive withdrawals from the Loan Account which in the aggregate equal or exceed three million Dollars (\$3,000,000) shall be converted from the initial Variable Rate to a Fixed Rate for the full maturity of such amount in accordance with the provisions of the General Conditions and of the Conversion Guidelines.



ARTICLE III — PROJECT

- 3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall cause the Project to be carried out by INDRHI (Component 1 of the Project) and CDEEE (Component 2 of the Project), all in accordance with the provisions of Article V of the General Conditions.
- 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 CDEEE or INDRHI shall have failed, in the opinion of the Bank, to perform any of their obligations under the CDEEE Subsidiary Agreement or the INDRHI Subsidiary Agreement, as the case may be.
- 4.02. The Additional Event of Acceleration consists of the following, namely, that any event specified in Section 4.01 of this Agreement occurs and is continuing for a period of 60 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 CDEEE Subsidiary Agreement and the INDRHI Subsidiary Agreement have been signed on behalf of the Borrower and CDEEE and INDRHI, respectively.
 - (b) The Operational Manual has been updated and adopted in a manner satisfactory to the Bank.
- 5.02. Without prejudice to the provisions of Article 9 of the General Conditions, 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 Bank's approval of the Loan which expire on May 17, 2013.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 6.01. The Borrower's Representative is its *Ministro de Hacienda*.



6.02. The Borrower's Address is:

Ministerio de Hacienda
Avenida México No. 45, Gazcue
Santo Domingo, República Dominicana

Tel:
(809) 687-5131

Facsimile:
(809) 688-8838

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:

Telex:

Facsimile:

INTBAFRAD
Washington, D.C.

248423(MCI) or
64145(MCI)

1-202-477-6391

AGREED at the District of Columbia, United States of America, as of the
day and year first above written.

DOMINICAN REPUBLIC

By



Authorized Representative



**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

By



Authorized Representative

SCHEDULE 1

Project Description

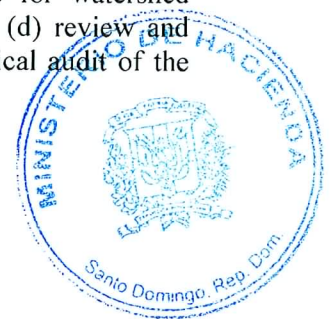
The objectives of the Project are to: (i) restore and strengthen the Borrower's irrigation, electricity, water and sanitation infrastructure damaged by the tropical storms Olga and Noel in October and December 2007 or at risk of damage from future storms; and (ii) strengthen INDRHI's and CDEEE's capacity for future risk management.

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

Component 1: Rehabilitation and Risk Management in Water Resources Sector

Rehabilitation of the Borrower's principal water management systems damaged by tropical storms Noel and Olga and strengthening of the Borrower's institutional capacity for risk management, through, *inter alia*:

- 1.1. (a) the reconstruction and rehabilitation of: (i) damaged water control structures, including the rehabilitation of water diversion and conveyance structures; (ii) canal systems; and (iii) water distribution, control, and drainage structures;
- (b) the restoration of ancillary dam infrastructure, including access roads and monitoring equipment;
- (c) the carrying out of works and provision of goods and services to rehabilitate the dams of *Maguaca, Villarpando, Dique de Barracote, Tavera, Jigüey, Aguacate, Hatillo, Rincon, Sabana Yegua, Mijo, Sabaneta, Rio Blanco, Arroyon and Tireito*;
- (d) the removal of flood debris; and
- (e) the repair and replacement of damaged flood control structures.
- 1.2. the provision of technical assistance, goods and services to INDRHI to: (a) improve its capacity to model watershed behavior and identify watershed attributes contributing to increased risks associated with the water sector; (b) support the Borrower's maintenance, preparedness and emergency response capabilities, including the provision of technical assistance to develop the Borrower's proposed water law bill; (c) repair damaged stations to monitor river flow data and weather observations and install new stations for watershed monitoring and early warning of potential disaster conditions; (d) review and update the operating procedures of dams; (e) carry out a technical audit of the



works under Component 1 of the Project; and (f) carry out the financial audit for Component 1 of the Project.

Component 2: Rehabilitation and Risk Management in the Electricity Sector

Restoration of priority electricity infrastructure in the Borrower's territory affected by the tropical storms Noel and Olga and strengthening of the electricity sector's capacity to respond to natural disasters, through, *inter alia*:

- 2.1. the rehabilitation of hydroelectric generation facilities operated by EGEHID, including: (a) the rehabilitation of the power generation plants of *Aguacate, Nizao-Najayo and Aniana Vargas, Valdesia, Jiguey, Sabana Yegua, Rio Blanco, Los Anones y Las Barias*; and (b) the restoration of ancillary dam works, including access roads; and (c) carrying out of works to repair the dams of *Las Barias and Valdesia*;
- 2.2. the rehabilitation of at least 152 km of transmission lines operated by ETED, including in the following sectors: (a) *Azua-Sabana Yegua*; (b) *Cruce Cabral-Las Damas*; (c) *Sabana Yegua-San Juan*; (d) *Cruce Cabral-Vicente Noble*; and (e) *Haina-Galeria Infiltracion CAASD Manogwayabo*;
- 2.3. the rehabilitation of electricity distribution facilities carried out by EDENORTE and EDESUR; and
- 2.4. (a) the revision and updating of the technical specifications and quality control methods for the acquisition of materials and equipment for power transmission and distribution facilities; (b) the updating of the contingency plans in case of severe meteorological occurrences; (c) the strengthening of the CDEEE's procurement capacity; (d) the carrying out of a technical audit of the works under Component 2 of the Project; and (e) the carrying out of the financial audit for Component 2 of the Project.



SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Borrower shall cause CDEEE to maintain, until completion of the Project, a unit within its own structure, with staff (including a procurement specialist), structure and functions satisfactory to the Bank, responsible for the management, coordination, supervision, monitoring and evaluation of Component 2 of the Project.
2. The Borrower shall cause INDRHI to maintain, until completion of the Project, a unit within its own structure, with staff (including a procurement specialist), structure and functions satisfactory to the Bank, responsible for the management, coordination, supervision, monitoring and evaluation of Component 1 of the Project.

B. Subsidiary Agreements

1. To facilitate the carrying out of their Components of the Project, the Borrower shall make the proceeds of the Loan available to:
 - (a) CDEEE under a subsidiary agreement between the Borrower and the CDEEE, under terms and conditions approved by the Bank ("CDEEE Subsidiary Agreement"); and
 - (b) INDRHI under a subsidiary agreement between the Borrower and the INDRHI, under terms and conditions approved by the Bank ("INDRHI Subsidiary Agreement").
2. The Borrower shall exercise its rights and carry out its obligations under the CDEEE Subsidiary Agreement and INDRHI 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, waive or fail to enforce the CDEEE Subsidiary Agreement and/or the INDRHI Subsidiary Agreement or any of their 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. Operational Manual

For purposes of carrying out the Project, the Borrower shall update the Operational Manual dated July 2008, and thereafter carry out the Project in accordance with the provisions of said updated manual (the "Operational Manual"), satisfactory to the Bank, said manual to include, *inter alia*: (a) the procedures for the carrying out, monitoring and evaluation of the Project; (b) the organizational structure of the Project (including the roles and responsibilities of CDEEE and INDRHI); (c) the Project procurement and financial management requirements and procedures; (d) standard environmental provisions to be included in the bidding documents for investments to be carried out under the Project; (e) the Project's chart of accounts and internal controls; (f) the format of: (i) the interim unaudited financial reports referred to in Section II. B.2 of Schedule 2 to this Agreement; and (ii) the Financial Statements; (g) the terms of reference for carrying out the Project audits under Section II.B.3 of Schedule 2 to this Agreement; and (h) the indicators to be used for Project monitoring and evaluation; (i) the Environmental and Social Management Plan; and (j) the Abbreviated Resettlement Plan. In case of any inconsistency between any provisions of the Operational Manual and this Agreement, the provisions of this Agreement will prevail.

E. Safeguards

1. The Borrower shall cause the Project to be carried out in accordance to: (i) the Environmental and Social Management Plan; and (ii) the Abbreviated Resettlement Plan.
2. The Borrower shall take, or cause to be taken, all necessary actions to implement the measures identified in the Evaluation of the Safety of Dams Report, all in a manner acceptable to the Bank.

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

The Borrower shall cause CDEEE and INDRHI 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 quarter, and shall be furnished to the Bank not later than forty five days after the end of the period covered by each 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. Without limitation on the provisions of Part A of this Section, the Borrower shall cause INDRHI for Component 1 of the Project and CDEEE for Component 2 of the Project, not later than forty five days after the end of each calendar quarter, prepare and furnish to the Bank as part of the pertinent Project Report, interim unaudited financial reports for the respective components of the Project under their responsibility covering the quarter, in form and substance satisfactory to the Bank.
3. The Borrower shall cause INDRHI for Component 1 of the Project and CDEEE for Component 2 of the Project, to have its Financial Statements for each component of the Project, 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.
4. The Borrower shall cause INDRHI for Component 1 of the Project and CDEEE for Component 2 of the Project to: (a) furnish to the Bank, not later than four months after the end of each fiscal year of the Borrower during Project implementation, the respective audited Financial Statements for the corresponding year; and (b) make publicly available in a timely fashion and in a manner acceptable to the Bank each of said Financial Statements

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 table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods, works and non-consulting services. The Procurement Plan shall specify the circumstances under which such methods may be used:

| |
|--|
| (a) Limited International Bidding (for contracts of goods) |
| (b) National Competitive Bidding |
| (c) Shopping |
| (d) 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 table specifies the 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:

| |
|---|
| (a) Least Cost Selection |
| (b) Quality Based Selection |
| (c) Selection based on Consultant's Qualifications |
| (d) Single Source Selection |
| (e) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants |
| (f) Fixed Budget Selection |
| (g) Sole Source Procedures for the Selection of Individual Consultants |



D. Review by the Bank of Procurement Decisions

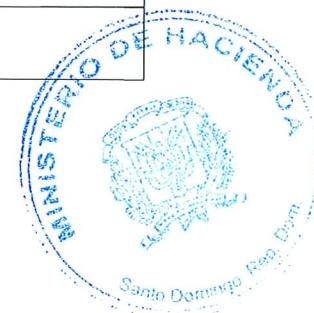
The Procurement Plan shall set forth those contracts which shall be subject to the Bank's Prior Review. All other contracts shall be subject to Post Review by the Bank.

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.

| <u>Category</u> | <u>Amount of the Loan Allocated (expressed in USD)</u> | <u>Percentage of Expenditures to be financed (inclusive of Taxes)</u> |
|---|---|--|
| (1) Goods, works, non-consulting services, consultants' services and Operating Costs for Component 1 of the Project | 11,700,000 | 100% |
| (2) Goods, works, non-consulting services, consultants' services and Operating Costs for Component 2 of the Project | 6,100,000 | 100% |
| (3) Unallocated | 2,150,000 | |



| <u>Category</u> | <u>Amount of the Loan Allocated (expressed in USD)</u> | <u>Percentage of Expenditures to be financed (inclusive of Taxes)</u> |
|---|--|---|
| (4) Front-end Fee | 50,000 | Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions |
| (5) Interest Rate Cap or Interest Rate Collar premium | 0 | Amount due pursuant to Section 2.07(c) of this Agreement |
| TOTAL AMOUNT | 20,000,000 | |

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 except that withdrawals up to an aggregate amount not to exceed \$4,000,000 equivalent may be made for payments made prior to this date but on or after November 19, 2010 (but in no case more than one year prior to the date of this Agreement) for Eligible Expenditures under Categories 1 and 2.
2. The Closing Date is December 31, 2013.



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.

| Principal Payment Date | Installment Share (Expressed as a Percentage) |
|-------------------------------|--|
| 9/15/2016 | 5% |
| 3/15/2019 | 0.73% |
| 3/15/2020 | 3.72% |
| 3/15/2021 | 3.55% |
| 3/15/2022 | 3.38% |
| 9/15/2022 | 3.30% |
| 3/15/2023 | 3.22% |
| 9/15/2023 | 3.13% |
| 3/15/2024 | 3.05% |
| 9/15/2024 | 2.96% |
| 3/15/2025 | 2.88% |
| 9/15/2025 | 2.80% |
| 3/15/2026 | 2.71% |
| 9/15/2026 | 2.63% |
| 3/15/2027 | 2.54% |
| 9/15/2027 | 2.46% |
| 3/15/2028 | 2.38% |
| 9/15/2028 | 2.29% |
| 3/15/2029 | 2.21% |
| 9/15/2029 | 2.12% |
| 3/15/2030 | 2.04% |
| 9/15/2030 | 1.95% |
| 3/15/2031 | 1.87% |
| 9/15/2031 | 1.79% |
| 3/15/2032 | 1.70% |
| 9/15/2032 | 1.62% |
| 3/15/2033 | 1.53% |



| | |
|-----------|--------|
| 9/15/2033 | 1.45% |
| 3/15/2034 | 1.37% |
| 9/15/2034 | 1.28% |
| 3/15/2035 | 1.20% |
| 9/15/2035 | 1.11% |
| 3/15/2036 | 1.03% |
| 9/15/2036 | 0.95% |
| 3/15/2037 | 0.86% |
| 9/15/2037 | 0.78% |
| 3/15/2038 | 0.69% |
| 9/15/2038 | 0.61% |
| 3/15/2039 | 0.53% |
| 9/15/2039 | 0.44% |
| 3/15/2040 | 0.36% |
| 9/15/2040 | 0.27% |
| 3/15/2041 | 0.19% |
| 9/15/2041 | 17.32% |

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 Screen 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

Section I. Definitions

1. "Abbreviated Resettlement Plan" means the Borrower's plan approved by the Bank on July 16, 2010, which sets forth, *inter alia*, the policies, procedures and resettlement measures (including compensation measures) to address any Resettlement under the Project, as said plan may be revised from time to time with the prior concurrence of the Bank and published in:

CDEEE's website:

http://cdeee.gov.do/index.php?searchword=plan+adecuacion&ordering=&searchphrase=all&Itemid=100&option=com_search; and

ETED's website:

http://www.eted.gov.do/index.php?option=com_docman&task=cat_view&gid=45&Itemid=131.

2. "Anti-Corruption Guidelines" means the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and revised in January 2011.
3. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
4. "CDEEE" means *Corporación Dominicana de Empresas Eléctricas*, the Borrower's conglomerate of electric companies, created pursuant to the Borrower's Law No. 125-01, dated July 2001.
5. "CDEEE Subsidiary Agreement" means the agreement referred to in Section I.B.1(a) of Schedule 2 to this Agreement, pursuant to which the Borrower shall make part of the proceeds of the Loan available to CDEEE.
6. "Consultant Guidelines" means the "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011.
7. "EDENORTE" means *Empresa Generadora de Electricidad del Norte, S.A.*, serving the following areas of the Borrower's territory: *Santiago, La Vega, Puerto Plata y San Francisco*.
8. "EDESUR" means *Empresa Generadora de Electricidad del Sur, S.A.*, serving the following areas of the Borrower's territory: *Distrito Nacional, San Cristóbal, Azua, Barahona y San Juan*.

9. "EGEHID" means *Empresa de Generación Hidroeléctrica Dominicana*, created pursuant to the Borrower's Supreme Decree No. 628, dated November 2, 2007.
10. "Environmental and Social Management Plan" or "ESMP" means the Borrower's environmental and social management plan, acceptable to the Bank, dated September 26, 2011 and published at the Bank's *Infoshop* on September 27, 2011, which contains details of measures appropriate or required to maximize the benefits of the Project, eliminate, offset or mitigate any adverse environmental impacts, or reduce such impacts to acceptable levels, together with budget and costs estimates, sources of funding, adequate institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with, such environmental and social management plan.
11. "ETED" means *Empresa de Transmisión Eléctrica Dominicana*, created pursuant to the Borrower's Supreme Decree No. 629, dated November 2, 2007.
12. "Evaluation of the Safety of Dams Report" means the Borrower's report dated May 2008, acceptable to the Bank, which sets forth, *inter alia*: (a) the evaluation of the safety of the dams to be repaired under the Project, including their reservoir banks, associated structures, earthworks, penstocks and other waterways, and their generating plant structures and equipment used for water supply provision; and (b) the identified measures to be taken to address any deficiencies or potential deficiencies in their condition, or in the quality or adequacy of maintenance or methods of operation of such facilities which may endanger the safety of any of such facilities or the staff maintaining or operating them.
13. "General Conditions" means the "International Bank for Reconstruction and Development General Conditions for Loans", dated July 31, 2010, with the modifications set forth in Section II of this Appendix.
14. "INDRHI" means *Instituto Nacional de Recursos Hidráulicos*, the Borrower's national water institute, created pursuant to the Borrower's Law No. 6, dated September 1965.
15. "INDRHI Subsidiary Agreement" means the agreement referred to in Section I.B.1(b) of Schedule 2 to this Agreement, pursuant to which the Borrower shall make part of the proceeds of the Loan available to INDRHI.
16. "Operating Costs" means expenditures (other than those for consultant and non-consulting services) incurred by the Borrower in connection with the daily operation of CDEEE and INDRHI for activities directly related to the Project, including, *inter alia*, maintenance of equipment and vehicles, rental of office facilities, office utilities, supplies and materials, and domestic travel and *per diem*.



of CDEEE and INDRHI staff, which expenditures would not have been incurred absent the Project.

17. "Operational Manual" means the Borrower's updated manual referred to in Section I.D of Schedule 2 to the Loan Agreement.
18. "Original Loan Agreement" means the loan agreement for an Emergency Recovery and Disaster Management Project between the Borrower and the Bank, dated May 27, 2008, as amended to the date of this Agreement.
19. "Original Project" means the Project described in the Original Loan Agreement.
20. "Procurement Guidelines" means the "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011.
21. "Procurement Plan" means the Borrower's procurement plan for the Project, dated September 12, 2011 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
22. "Resettlement" means the impact of an involuntary taking of land under the Project, which taking causes affected persons to have their: (a) standard of living adversely affected; or (b) 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 (c) access to productive assets adversely affected, temporarily or permanently; or (d) business, occupation, work or place of residence or habitat adversely affected, temporarily or permanently; or (e) an involuntary restriction of access to natural resources in legally designated parks and protected areas (including reserves) which causes an adverse impact on the livelihoods of the affected persons.

