OFFICIAL DOCUMENTS

CREDIT NUMBER 6080-MM

Financing Agreement
(Myanmar Southeast Asia Disaster Risk Management Project)

between

REPUBLIC OF THE UNION OF MYANMAR

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated Oct 03, 2017
FINANCING AGREEMENT

AGREEMENT dated 03, 2017, entered into between REPUBLIC OF THE UNION OF MYANMAR ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association hereby agree as follows:

WHEREAS (A) the Recipient, having satisfied itself as to the feasibility and priority of the Project described in Schedule I to this Agreement ("Project"), has requested the Association to extend a credit as provided in Section 2.01 of this Agreement, to assist in the financing of the Project;

(B) the Recipient has also requested the Association, acting as administrator of the Southeast Asia Disaster Risk Insurance Facility Program Multi-Donor Trust Fund to assist in the financing of Part 1.1 of the Project, and the Association, acting in such capacity, has agreed to make available a grant to the Recipient from the said trust fund to assist in the financing of the Project, pursuant to the grant agreement of even date herewith between the Recipient and the Association ("Grant Agreement"); and

WHEREAS the Association has agreed, on the basis, inter alia, of the foregoing, to extend a credit to the Recipient upon the terms and conditions set forth in this Agreement;

NOW THEREFORE, 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.

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 eighty-five million five hundred thousand Special Drawing Rights (SDR 85,500,000) (variously, "Credit" and "Financing"), to assist in financing the Project.
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 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%) per annum.

2.05. The Payment Dates are June 15 and December 15 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 Recipient's Respective Part of the Project through its MOPF and cause the Region's Respective Part of the Project to be carried out by the Region, through YCDC, 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; TERMINATION

4.01. The Additional Condition of Effectiveness is that the Grant Agreement and the Subsidiary Agreement have been executed and delivered and all conditions precedent to their effectiveness or to the right of the Recipient to make withdrawals under them (other than the effectiveness of this Agreement) have been fulfilled.
4.02 The Additional Legal Matter is that the Subsidiary Agreement has been duly authorized or ratified by the Recipient and the Region and is legally binding upon the Recipient and the Region in accordance with its terms.

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

4.04 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 (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 Planning and 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, Republic of the Union of Myanmar, as of the day and year first above written.

REPUBLIC OF THE UNION OF MYANMAR

By

Authorized Representative

Name: Daw Nwe Nwe Win
Title: Director General

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: Ms. Ellen A Goldstein
Title: Country Director
SCHEDULE 1

Project Description

The objectives of the Project are to improve drainage services, and the structural performance of selected public facilities in Yangon, and enhance the capacity of the Recipient to facilitate disaster response.

The Project constitutes a part of a regional program designed to help reduce the impacts of natural hazards in South-east Asia, and consists of the following parts:

Part 1: Strengthening Financial Planning for Disaster Resilience

1.1. Support for Strengthening Disaster Resilience. Provision of technical assistance to strengthen the financial planning capacity of MOPF for disaster resilience, including: (a) mainstreaming of disaster and climate resilience into investment planning and development processes; (b) preparation of a national disaster and climate risk financing strategy; (c) facilitation of the Recipient’s engagement in the preparation and establishment of a regional disaster risk pooling mechanism; and (d) supporting day-to-day implementation of this Part of the Project.

1.2. Payment of Disaster Risk Insurance Premium. Facilitating access to sovereign risk coverage (including, without limitation, insurance), through the financing of Premia.

Part 2: Urban Flood Risk Management

2.1. Drainage Improvements. Improving and increasing the capacity of drainage infrastructure in selected locations in Yangon.

2.2. Flood Risk Management Planning and Maintenance. Provision of technical assistance and maintenance equipment to build capacity for integrated flood risk management, through, inter alia: (a) developing and operationalizing an improved asset management system, and improving drain maintenance; (b) revising planning regulations and building codes for sustainable drainage systems by proposing; and (c) identifying and preparing climate resilient detailed designs for drainage improvement and expansion.

Part 3: Safer Public Facilities and Critical Infrastructure

3.1. Risk Reduction for Public Facilities and Infrastructure. Improving the structural performance of critical public facilities and infrastructure.

3.2. Risk Assessment of Critical Infrastructure and Institutional Capacity Building. Institutional capacity building and provision of technical assistance for: (a) carrying out multi-hazard risk assessment of lifeline/critical infrastructure; and (b) developing a digital database of building information.
Part 4: Project Management

Provision of technical and operational assistance to YCDC to support Project implementation, including coordination, technical matters, procurement, financial management, social and environmental safeguards, monitoring and evaluation, and reporting.

Part 5: Contingent Emergency Response

Provision of immediate response to an Eligible Crisis or Emergency, as needed.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

The Recipient shall maintain or cause to be maintained, throughout the period of implementation of the Project, the following structures, all with a mandate, composition, staffing and resources acceptable to the Association: (1) the Yangon Project Steering Committee, to provide overall policy direction and general oversight of the Region’s Respective Part of the Project; (2) the Project Secretariat, responsible for the day-to-day implementation and coordination of the Region’s Respective Part of the Project, including acquiring all required permits and establishing arrangements for access to areas for the activities under the Region’s Respective Part of the Project; and (3) Project implementation structures within MOPF for the day-to-day implementation and coordination of the Recipient’s Respective Part of the Project.

B. Subsidiary Agreement

1. For the purposes of carrying out the Region’s Respective Part of the Project, the Recipient shall make part of the proceeds of the Credit available to YCDC under a subsidiary agreement between the Recipient, through MOPF, and YCDC (“Subsidiary Agreement”), under terms and conditions acceptable the Association.

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

C. Project Operations Manual

The Recipient shall ensure that the Project is carried out in accordance with the arrangements and procedures set out in the Project Operations Manual (provided, however, that in the event of any conflict between the arrangements and procedures set out in the Project Operations Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail) and shall not amend, abrogate or waive any provision of Project Operations Manual unless the Association has provided its prior no-objection thereof in writing.
D. Annual Work Plans and Budgets

1. The Recipient shall ensure that the Association is furnished, not later than September 30 of each fiscal year of the Recipient during the implementation of the Project (or such later date as the Association may agree) for the Association's no-objection, a consolidated Annual Work Plan and Budget ("AWPB") containing all Project activities and Eligible Expenditures proposed to be included in the Project in the Recipient's following fiscal year, including the Association's and the Recipient's respective shares in the cost of the AWPB.

2. The Recipient shall ensure that the Project is implemented in accordance with the AWPB (provided, however, that in the event of any conflict between the AWPB and the provisions of this Agreement, the provisions of this Agreement shall prevail) and shall provide, promptly as needed, its share of the Project financing as specified in the AWPB.

3. The Recipient shall not make or allow to be made any change to the AWPB without prior no-objection in writing by the Association.

E. Environmental and Social Safeguards

1. The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Management Framework and the Resettlement Policy Framework.

2. Whenever a Safeguard Assessment and Plan shall be required for any proposed Project activity in accordance with the provisions of the ESMF and the RPF, the Recipient shall ensure that: (a) prior to the commencement of such activity, such Safeguard Assessment and Plan is, as applicable: (i) prepared and furnished to the Association for review and no-objection; (ii) disclosed and consulted upon in accordance with the provisions of the ESMF and the RPF, as the case may be; and (iii) thereafter finalized and adopted as accepted by the Association, in a manner satisfactory to the Association; and (b) thereafter such measures are taken 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 and the RPF and any Safeguard Assessment and Plan, unless the Association has provided its prior no-objection thereof in writing, and the Recipient has ensured compliance with the same consultation and disclosure requirements as applicable to the original adoption of the said instruments.

4. 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 procedures and carrying out capacity building activities under the Project, due attention is given to said policies and laws, in accordance with the guidelines set forth in the ESMF.

5. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall ensure that consolidated reports on the status of compliance with the ESMF and the RPF and the Safeguard Assessments and Plans are collected, compiled and furnished to the Association on a six (6) monthly basis (or such other frequency as may be agreed with the Association), and promptly in a separate report whenever the circumstances warrant, 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.

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

F. Contingent Emergency Response

1. The Recipient shall ensure that Part 5 of the Project ("Emergency Response Part") is carried out in accordance with the Emergency Response Manual ("ERM") (provided, however, that in the event of any conflict between the arrangements and procedures set out in the ERM and 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 ERM and of the emergency response implementation plan and safeguard instruments prepared pursuant to paragraph 2 of this Part F in accordance with the ERM.

2. Without limitation on the foregoing, the Recipient shall undertake no activities under the Emergency Response Part, unless and until the following conditions have been met in respect of said activities:

(a) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include said activities in the Emergency Response Part in order to respond to said Eligible Crisis or Emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof;
(b) the Recipient has prepared and adopted the ERM, in form and substance satisfactory to the Association, and has prepared and adopted an emergency response implementation plan for said activities in accordance with the ERM and in form and substance satisfactory to the Association, setting out the objectives, performance indicators, scope, eligible expenditures, and fiduciary, safeguards and other implementation arrangements; and

(c) the Recipient has ensured the preparation and disclosure of all safeguard instruments as may be required for said activities in accordance with the ERM, the Association has approved all such instruments, and the Recipient has ensured the implementation of any actions which are required to be taken under said instruments.

G. 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 the indicators acceptable to the Association and set forth in the Project Operations Manual. Each Project Report shall cover the period of six (6) months, and shall be furnished to the Association not later than sixty (60) days after March 31 and September 30 in each year.

2. The Recipient shall: (a) on or about the date thirty-six (36) 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 sixty (60) days 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.
3. 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 three (3) 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 not later than sixty (60) days after March 31 and September 30 in each year, 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 (1) fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) 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) National Competitive Bidding, subject to the additional provisions set forth in the Annex to this Schedule 2; (b) Shopping; and (c) Direct Contracting.

C. Particular Methods of Procurement of Consultants' Services

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

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

D. Review by the Association of Procurement Decisions

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

E. Procurement of Emergency Expenditures under the Emergency Response Part

Notwithstanding any provision to the contrary in this Section, Emergency Expenditures required for activities included in the Emergency Response Part shall be procured in accordance with the procurement methods and procedures set forth in the ERM.
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 “Disbursement Guidelines for Investment Project Financing” dated February 2017, 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 Credit Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Premia under Part 1.2 of the Project</td>
<td>14,750,000</td>
<td>100% of amount disbursed</td>
</tr>
<tr>
<td>(2) Goods, works, non-consulting services, and consultants’ services, Training and Workshops, and Operating Costs under Parts 2, 3 and 4 of the Project</td>
<td>70,750,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Emergency Expenditures under Part 5 of the Project</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>85,500,000</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 Eligible Expenditures under Category (1), unless and until the Recipient has requested the withdrawal of the Financing for the payment of Premia to the Southeast Asia Disaster Resilience Insurance Facility or the Association (or both), in accordance with Section V below; or

(c) for Emergency Expenditures under Category (3), unless and until the Association is satisfied all of the following conditions have been met in respect of said expenditures:

(i) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include said activities in the Emergency Response Part in order to respond to said crisis or emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof;

(ii) the Recipient has prepared and adopted the ERM, in form and substance satisfactory to the Association, and has prepared and adopted an emergency response implementation plan for said activities, in accordance with the ERM and in form and substance satisfactory to the Association, setting out the objectives, performance indicators, scope, eligible expenditures, and fiduciary, safeguards and other implementation arrangements for such activities;

(iii) the Recipient has ensured that all safeguards instruments required for said activities have been prepared and disclosed, and the Recipient has ensured that any actions which are required to be taken under said instruments have been implemented, all in accordance with the provisions of Section LF of this Schedule;

(iv) the entities in charge of coordinating and implementing the Emergency Response Part have adequate staff and resources, in accordance with the provisions of Section LF of this Schedule, for the purposes of said activities; and

(v) the provisions of the ERM remain - or have been updated in accordance with the provisions of Section LF of this Schedule 2 so as to be - appropriate for the inclusion and implementation of the Emergency Response Part.

2. The Closing Date is October 31, 2023.
Section V. Other Undertakings

1. Payment of Premia to Southeast Asia Disaster Resilience Insurance Facility. In the event that the Recipient requests the withdrawal of the Financing for the payment of Premia to the Southeast Asia Disaster Resilience Insurance Facility, it shall: (a) prior to the financing of any Premia, submit evidence satisfactory to the Association regarding: (i) the establishment and operationalization of the Southeast Asia Disaster Resilience Insurance Facility; and (ii) the execution of a Risk Transfer Agreement between the Recipient and the Southeast Asia Disaster Resilience Insurance Facility, acceptable to the Association; and (b) thereafter exercise its rights and perform its obligations under the Risk Transfer Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing, and, except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Risk Transfer Agreement or any provision thereof.

2. Payment of Premia to the Association. In the event that the Recipient requests the withdrawal of the Financing for the payment of Premia to the Association: (a) the Recipient and the Association shall execute an IDA Risk Transfer Agreement in respect of a disaster risk financing or transfer product under Part 1.2 of the Project, provided by the Association at the Recipient's request; and (b) on or before the effective date of any IDA Risk Transfer Agreement, the Association shall, on behalf of the Recipient, withdraw from the Financing Account and pay to itself the amounts required to pay the Premia up to the amount allocated from time to time for that purpose in Category (1) in the table in Section IV above.
ANNEX TO SCHEDULE 2

Conditions for Use of National Competitive Bidding Procedure in Myanmar


i. The request for bids/request for proposals document shall require that bidders/proposers submitting bids/proposals present a signed acceptance at the time of bidding, to be incorporated in any resulting contracts, confirming application of, and compliance with, the Association’s Anti-Corruption Guidelines, including without limitation the Association’s right to sanction and the Association’s inspection and audit rights;

ii. Bidding documents which includes contract with appropriate allocation of responsibilities, risks and liabilities, acceptable to the Association shall be used;

iii. Contract award information shall be published in newspapers of wide circulation and/or websites;

iv. The Association shall have the right to review procurement documentation and activities;

v. The Recipient shall put in place an effective complaints review mechanism for dealing with procurement related complaints, and shall disclose the details in all the bidding documents. All complaints shall be recorded by the Recipient in the appropriate tracking and monitoring system, as agreed between the Association and the Recipient.
### 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 June 15 and December 15, commencing December 15, 2023 to and including June 15, 2055</td>
<td>1.5625%</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

Section I. Definitions

1. "Annual Work Plan and Budget" and the acronym "AWPB" each means the work plan and budget referred to in Section I.D of Schedule 2 to this Agreement; as said plan may be modified from time to time with the prior written no-objection of the Association.


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


5. "Displaced 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.

6. "Eligible Crisis or Emergency" means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.

7. "Emergency Expenditure" means any of the eligible expenditures set forth in the ERM in accordance with the provisions of Section I.F of Schedule 2 to this Agreement, and required for the Emergency Response Part.

8. "Emergency Response Manual" and "ERM" each means the manual referred to in Section I.F of Schedule 2 to this Agreement, to be adopted and maintained by the Recipient for the Emergency Response Part in accordance with the provisions of said Section.

9. "Emergency Response Part" means a specific activity or activities to be carried out in the event of an Eligible Crisis or Emergency under Part 5 of the Project.
10. "Environmental and Social Assessment" means any assessment to be prepared in accordance with the ESMF pursuant to Section I.E of Schedule 2 to this Agreement, each such assessment in form and substance satisfactory to the Association, defining, *inter alia*, 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 no-objection of the Association, and such term includes any annexes and schedules to such assessment.

11. "Environmental and Social Management Framework" and the acronym "ESMF" each means the Recipient's framework dated April 3, 2017, 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, monitoring, reporting and grievance redress procedures, including the Environmental Code of Practice, and small dams safety measures, as said framework may be modified from time to time with the prior written no-objection of the Association, and such term includes any schedules or annexes to such framework.

12. "Environmental and Social Management Plan" means any plan to be prepared in accordance with the ESMF pursuant to Section I.E of Schedule 2 to this Agreement, each such plan in form and substance satisfactory to the Association, setting out, *inter alia*, details of measures to manage potential environmental and social risks and avoid, minimize and/or mitigate any adverse environmental and social impacts associated with the implementation of Project activities, together with adequate budget, institutional, monitoring, reporting and grievance redress 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 no-objection of the Association, and such term includes any annexes and schedules to such plan.

13. "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.

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

15. "Grant Agreement" means the grant agreement of even date herewith between the Recipient and the World Bank, acting as administrator of the Southeast Asia Disaster Risk Insurance Facility Program Multi-Donor Trust Fund to provide additional assistance towards the financing of Part 1.1 of the Project.
16. "MOPF" means the Recipient's Ministry of Planning and Finance, and any successor thereto.

17. "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, 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), website maintenance, 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 costs directly related to the Project, but excluding salaries, bonuses, fees and honoraria or equivalent payments of members of the Recipient's civil service.

18. "Physical Cultural Resources Plan" means any plan to be prepared by the Recipient in accordance with the ESMF pursuant to Section I.E of Schedule 2 to this Agreement, each such plan in form and substance satisfactory to the Association, setting out, inter alia, measures for avoiding or mitigating any adverse impacts on physical cultural resources and managing physical cultural resources encountered unexpectedly during Project implementation, 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.

19. "Premia" means such amounts as may be payable by the Recipient to either: (a) the Southeast Asia Disaster Resilience Insurance Facility under a Risk Transfer Agreement, acceptable to the Association; or (b) the Association from time to time in consideration for the entry into an IDA Risk Transfer Agreement.


21. "Procurement Plan" means the Recipient's procurement plan for the Project, dated April 27, 2017, and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

22. "Project Operations Manual" and the acronym "POM" each means the manual adopted by Recipient for the implementation of the Project referred to in Section I.C of Schedule 2 to this Agreement, containing detailed arrangements and procedures for: (a) institutional coordination and day-to-day execution of the Project; (b) disbursement and financial management; (c) procurement; (d) environmental and social safeguards management; (e) monitoring and
evaluation, reporting and communication; and (f) 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 the prior written no-objection of the Association, and such term includes any schedules to such manual.

23. "Project Secretariat" means the secretariat to be maintained by the Recipient within YCDC in accordance with the provisions of Section IA of Schedule 2 to this Agreement.

24. "Region" means the Recipient's Region of Yangon, as represented by its regional government; or any successor thereto.

25. "Resettlement Action Plan" means any plan to be prepared in accordance with the RPF, pursuant to Section I.E of Schedule 2 to this Agreement, each such plan in form and substance satisfactory to the Association, setting out, inter alia, measures for compensation and resettlement of any Displaced Persons, including the magnitude of displacement, compensation and resettlement arrangements, budget and cost estimates, and sources of funding, together with adequate institutional, monitoring, reporting and grievance redress 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 no-objection of the Association, and such term includes any annexes and schedules to such plan.

26. "Resettlement Policy Framework" and the acronym "RPF" each means the Recipient's framework, dated April 3, 2017, setting out measures and actions to be taken during the implementation of the Project for the provision of compensation, rehabilitation and resettlement assistance to any Displaced Persons, and protocols and procedures for voluntary land donations, with related public consultation, disclosure, monitoring, reporting and grievance redress procedures; as said framework may be modified from time to time with the prior written no-objection of the Association, and such term includes any schedules or annexes to such framework.

27. "Respective Part of the Project" means: (a) with respect to the Recipient, through MOPF, Parts 1 and 5 of the Project (as Part 5 relates to the national level); (b) with respect to the Region, through YCDC, Parts 2, 3, 4 and 5 of the Project (as Part 5 relates to the regional level).

28. "Safeguard Assessment and Plan" means any Environmental and Social Assessment, Environmental and Social Management Plan, Resettlement Action Plan and Physical Cultural Resources Plan to be prepared in accordance with the ESMF or the RPF, as the case may be, and the provisions of Section I.E of Schedule 2 to this Agreement, as said assessment and plan may be modified from time to time with the prior no-objection 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.

29. “Southeast Asia Disaster Resilience Insurance Facility” means an insurance facility (of the same or any other name) to be established, in form and substance acceptable to the Association, for the purpose of providing disaster risk insurance to governments in the South East Asia region.

30. “Subsidiary Agreement” means the agreement referred to in Section I.B of Schedule 2 to this Agreement pursuant to which the Recipient shall make part of the proceeds of the Credit available to YCDC.

31. “Training and Workshops” means the reasonable costs of goods and services required for the participation of personnel involved in training and educational 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, scholarships, and other costs directly related to training or education course, workshop or study tour preparation and implementation, but excluding fees of consultants.

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

33. “YCDC” means the Region’s Yangon City Development Committee and any successor thereto.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. Section 6.02 (b) (i) and (g) of the General Conditions is modified to read as follows:

   “(b) Performance Failure.

   (i) The Recipient has failed to perform any other obligation under the Financing Agreement, any Risk Transfer Agreement, including an IDA Risk Transfer Agreement, (in the event that the proceeds of the Financing are used for payment of premia as may be provided in the Financing Agreement).”

   “(g) Misrepresentation. A representation made by the Recipient in or pursuant to
the Financing Agreement, any Risk Transfer Agreement, including an IDA Risk Transfer Agreement, (in the event that the proceeds of the Financing are used for payment of premia as may be provided in the Financing Agreement), or any representation or statement furnished by the Recipient and intended to be relied upon by the Association in making the Financing, or paying the premia as may be provided in the Financing Agreement or executing a transaction under an IDA Risk Transfer Agreement, was incorrect in any material respect.”

2. Section 6.06 (b) of the General Conditions is modified to read as follows:

“(b) Performance Default.

(i) A default has occurred in the performance by the Recipient of any other obligation under the Financing Agreement, any Risk Transfer Agreement, including an IDA Risk Transfer Agreement, (in the event that the proceeds of the Financing are used for payment of premia as may be provided in the Financing Agreement) and such default continues for a period of sixty days after the notice of such default has been given by the Association to the Recipient.

(ii) A default has occurred in the performance by the Project Implementing Entity of any obligation under the Project Agreement and such default continues for a period of sixty days after the notice of such default has been given by the Association to the Project Implementing Entity and the Recipient.”

3. The following new definition is inserted in the Appendix to the General Conditions as paragraphs 62-63:

“62. “IDA Risk Transfer Agreement” means any contingent disaster risk financing or transfer agreement (including, without limitation, derivatives agreements, insurance contracts or similar instruments) entered into between the Recipient and the Association for the purpose of hedging the Recipient’s exposure to natural disaster risks, as such agreement may be amended from time to time.

63. “Risk Transfer Agreement” means any contingent disaster risk financing or transfer agreement (including, without limitation, derivatives agreements, insurance contracts or similar instruments), acceptable to the Association entered into between the Recipient and a third party for the purpose of hedging the Recipient’s exposure to natural disaster risks, as such agreement may be amended from time to time with the prior written no-objection of the Association.”