Loan Agreement

(Egypt Household Natural Gas Connection Project)

between

ARAB REPUBLIC OF EGYPT

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated September 11, 2014
LOAN NUMBER 8411-EG

LOAN AGREEMENT

AGREEMENT dated September 11, 2014, between ARAB REPUBLIC OF EGYPT ("Borrower") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank"). The Borrower and the Bank hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

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

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement or the Project 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 five hundred million United States Dollars (US$500,000,000), 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 I 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. The Borrower’s representative for purposes of taking any action required or permitted to be taken pursuant to this Section is the Project Implementing Entity.

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. The Borrower shall pay the Front-end Fee not later than 60 days after the Effective Date.

2.04. The interest payable by the Borrower on the principal amount of the loan withdrawn and the amount outstanding from time to time for each Interest Period shall be at a rate equal to the Reference Rate (as defined in paragraph 82 of the Appendix of the General Conditions that apply to this Loan) for the Loan Currency plus the Variable Spread; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions.

2.05. The Payment Dates are January 15 and July 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: (A) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa; or (B) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread, or vice versa; or (C) all of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread; and (iii) the setting of limits on the Variable Rate or the Reference Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate or the Reference Rate.

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

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

2.08. The Borrower represents that it has designated its Ministry of Finance for the purpose of handling on behalf of the Borrower, debt service payments with respect to the Loan.

ARTICLE III — PROJECT

3.01. The Borrower declares its commitment to the objective of the Project. To this end, the Borrower shall cause the Project Implementing Entity to carry out the Project in accordance with the provisions of Article V of the General Conditions and the Project Agreement.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.
ARTICLE IV — REMEDIES OF THE BANK

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

(a) The Project Implementing Entity’s Legislation, license or other legal instrument related to its establishment or operation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Project Implementing Entity to perform any of its obligations under the Project Agreement. Any suspension based on this Section shall continue until the event (or events) which gave rise to the suspension has (or have) ceased to exist, unless the Bank has notified the Borrower that such right to make withdrawals has been restored.

(b) Any legislation, license or other legal instrument related to the establishment or operation of any LDC implementing activities under the Project or to the implementation of its respective activities under Part A of the Project has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of such LDC to perform any of its obligations under the relevant EGAS Implementation Agreement. Any suspension based on this Section shall continue until the event (or events) which gave rise to the suspension has (or have) ceased to exist, unless the Bank has notified the Borrower that such right to make withdrawals has been restored.

4.02. The Co-financing Deadline for the effectiveness of the: (a) ENI Co-financing Agreement is May 1, 2015; and (b) AFD Co-financing Agreement is April 15, 2015; or such later date as the Bank may establish by notice to the Borrower, provided, however, that the failure of said ENI Co-Financing Agreement or the AFD Co-financing Agreement to become effective by such date shall not be an event of suspension if the Borrower establishes availability of adequate funds for the Project in accordance with the provisions of Section 7.02 (h)(i) of the General Conditions.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. Subject to the other provisions of this Article, this Agreement shall become effective once the Bank has received evidence that all necessary constitutional procedures have been taken by the Borrower in accordance with the provisions of Section 9.01 of the General Conditions.

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

(a) The Subsidiary Loan Agreement has been executed on behalf of the Borrower and the Project Implementing Entity.

(b) The EGAS Implementation Agreement between the Project Implementing Entity and Egypt Gas Company and ReGas, and the EGAS Implementation Agreement between the Project Implementing Entity and Town Gas Company, ReGas, Sianco and SinaiGas have each been entered into.
(c) The Project Implementing Entity has prepared and adopted a Project Implementation Manual in form agreed with the Bank and substance satisfactory to the Bank.

5.03. The Additional Legal Matter to be included in the Legal Opinion consists of the following:

(a) The Subsidiary Loan Agreement has been duly authorized by the Borrower and the Project Implementing Entity and is legally binding upon the Borrower and the Project Implementing Entity in accordance with its terms.

(b) The EGAS Implementation Agreement between the Project Implementing Entity and Egypt Gas Company and ReGas, and between the Project Implementing Entity and Town Gas Company, ReGas, Sianco and SinaiGas have been duly authorized by the respective parties to each such agreement and are legally binding upon the respective parties in accordance with the terms of each such agreement.

5.04. The Effectiveness Deadline is the date one hundred and eighty (180) days after the date of this Agreement, or such later date as may be established by the Bank in accordance with Section 9.04 of the General Conditions.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Minister of International Cooperation of the Borrower and the Assistant to the Minister for International, Regional and Arab Financing Organizations of the Ministry of International Cooperation of the Borrower are severally designated as the Borrower’s Representative.

6.02. The Borrower’s Address is:

Ministry of International Cooperation
8 Adly Street
Cairo, Arab Republic of Egypt
Cable address: Ministry of International Cooperation
Facsimile: (202) 2391-2815
Cairo, Arab Republic of Egypt
(202) 2391-5167

6.03. The Bank’s Address is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America
Cable address: INTBAFRAD
Telex: 248423(MCI) or 1-202-477-6391
Facsimile: 64145(MCI)
AGREED at Cairo, Arab Republic of Egypt, as of the day and year first above written.

ARAB REPUBLIC OF EGYPT

By Naglaa El Edwany

Authorized Representative

Name: Naglaa El Edwany

Title: Minister of International Cooperation

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

Authorized Representative

Name: Jorgen Andersen

Title: Regional Vice President
SCHEDULE 1

Project Description

The objective of the Project is to assist the Arab Republic of Egypt to increase household access to reliable, lower cost, grid connected natural gas supply.

The Project consists of the following parts:

PART A: Gas Network Expansion and Household Connections

1. *Gas Transmission Connections and Pressure Reduction Stations (PRSs)*

Installing high pressure transmission pipelines and PRSs to facilitate natural gas supply in about 1.5 million households in the Selected Areas.

2. *Gas Distribution Network and Connections*

Carrying out: (a) the expansion of intermediate, medium and low pressure gas distribution networks; (b) the installation of control systems, main regulators and customer connections; and (c) the conversion of customer appliances to facilitate connection to, and supply of, gas to households in the Selected Areas.

3. *Strengthening Capacity for Connection Scale Up*

Strengthening the capacity of the Project Implementing Entity and LDCs in Project implementation, and to effectively scale up connection installations, network operations and service delivery to consumers residing in the Selected Areas.

4. *Establishment of Customer Service Centers*

Supporting the establishment of customer service centers in the Selected Areas to ensure high quality gas supply services to customers during and after implementation.

PART B: Financial Support for Household Connection Charges in Disadvantaged Areas

Supporting access to natural gas supply to vulnerable households in disadvantaged parts of the Selected Areas through the provision of financial support for connection fees associated with the supply of such natural gas.

PART C: Institutional Strengthening

1. *Development of a Financial Management and Information System (FMIS)*

Enhancing financial and accounting practices at EGAS and improving the performance monitoring capacity of EGAS and the LDCs through the: (a) preparation of the design and technical specifications of the FMIS; and (b) procurement and installation of the FMIS or an FMIS module as part of an enterprise resource planning system.
2. *Technical Assistance for Gas Sector Regulatory Development*

Supporting startup operations of a transitional gas sector regulator, including technical assistance for the development of enabling gas sector regulations.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional and Other Arrangements

1. The Borrower shall cause the Project Implementing Entity to maintain, throughout the implementation of the Project, the Project Management Unit (PMU) with mandate, functions and resources, and with staff of adequate qualifications and experience with the responsibility for overall implementation and coordination of Project activities and such other functions as set forth in the Project Implementation Manual, all satisfactory to the Bank.

2. The Borrower through its relevant entities shall carry out Part C of the Project and shall prepare an action plan for Part C.2 of the Project acceptable to the Bank, to be submitted to the Bank no later than September 1, 2015.

B. Subsidiary Loan Agreement

1. To facilitate the carrying out of the Project, the Borrower shall make the proceeds of the Loan available to the Project Implementing Entity under a subsidiary loan agreement between the Borrower and the Project Implementing Entity, under terms and conditions acceptable to the Bank, which shall include, among others, the following terms:
   (a) repayment of principal, and payment of interest, charges and premium shall be made in accordance with Article II of this Agreement and Article III of the General Conditions;
   (b) payment of any other charges which may be required by the Borrower; and
   (c) foreign exchange risk shall be borne by the Project Implementing Entity ("Subsidiary Loan Agreement").

2. The Borrower shall exercise its rights under the Subsidiary Loan 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 may otherwise agree after consultation, the Borrower shall not assign, amend, abrogate or waive the Subsidiary Loan Agreement or any of its provisions.

C. Anti-Corruption

The Borrower shall cause the Project Implementing Entity to carry out the Project in accordance with the provisions of the Anti-Corruption Guidelines.

D. Project Implementation Manual

1. The Borrower shall cause the Project Implementing Entity to carry out the Project in accordance with the provisions of the Project Implementation Manual referred to in Section 5.02 (c) of this Agreement.
2. Except as the Bank may agree after due consultation, the Borrower shall ensure that the Project Implementing Entity shall not amend, abrogate or waive or cause to be amended, abrogated or waived any provision of the Project Implementation Manual without the prior written agreement of the Bank; provided, however, that in case of any conflict between the arrangements and procedures set out in the Project Implementation Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail.

E. Safeguards

1. The Borrower shall cause the Project Implementing Entity to carry out the Project in accordance with the Safeguard Instruments.

2. The Borrower shall cause the Project Implementing Entity:

(a) to implement the RPF and each pertinent RAP, in a manner acceptable to the Bank including ensuring that all land acquisition required for the purposes of carrying out activities under the Project, and activities related to resettlement and rehabilitation of persons, if any, under the Project in connection with such activities shall be completed prior to commencing the carrying out of such activities, and that a grievance redressal mechanism shall be established and shall be operational prior to commencing such activities; and

(b) to implement the ESIAF and each pertinent ESIA, ESMP and QRA in a manner acceptable to the Bank, including ensuring that remedial measures are taken during the implementation and operation of the Project to offset or reduce adverse environmental impacts, if any, to acceptable levels set forth in the ESIAF.

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

The Borrower shall cause the Project Implementing Entity to monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of indicators acceptable to the Bank. Each Project Report shall cover the period of one calendar quarter, and the Borrower shall cause the Project Implementing Entity to furnish such report to the Bank and the Borrower not later than forty-five (45) days after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Borrower shall cause the Project Implementing Entity to maintain 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 the Project Implementing Entity to prepare and furnish to the Bank, not later than forty-
five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form agreed to with the Bank and in substance satisfactory to the Bank.

3. The Borrower shall cause the Project Implementing Entity to have its Financial Statements and the Financial Statements of the Project, both 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 Project Implementing Entity or such other period as the Bank may agree. The audited Financial Statements for each such period shall be furnished to the Bank not later than six (6) months after the end of such period.

Section III. Procurement

Except as the Borrower and the Bank may otherwise agree after consultation, procurement of all goods, works, and non-consulting services required for the Project and to be financed out of the proceeds of the Loan shall be governed by the provisions of Section III of the Schedule to the Project Agreement.

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 arrangements 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 arrangements), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Loan (“Category”), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, and non-consulting services under Part A of the Project</td>
<td>500,000,000</td>
<td>84%</td>
</tr>
<tr>
<td>(2) Interest Rate Cap or Interest Rate Collar premium</td>
<td>0</td>
<td>Amount due pursuant to Section 2.07(c) of this Agreement</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>500,000,000</td>
<td></td>
</tr>
</tbody>
</table>

B. **Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:

   (a) from the Loan Account until the Bank has received payment in full of the Front-end Fee; and

   (b) for payments made prior to the date of this Agreement.

2. The Closing Date is June 30, 2019.
SCHEDULE 3

Amortization Schedule

1. The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date ("Installment Share"). If the proceeds of the Loan have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying: (a) Withdrawn Loan Balance as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayable amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

<table>
<thead>
<tr>
<th>Principal Payment Date</th>
<th>Installment Share (Expressed as a Percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each January 15 and July 15, Beginning January 15, 2022 through July 15, 2042</td>
<td>2.33%</td>
</tr>
<tr>
<td>On January 15, 2043</td>
<td>2.14%</td>
</tr>
</tbody>
</table>

2. If the proceeds of the Loan have not been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:

   (a) To the extent that any proceeds of the Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.

   (b) Any amount withdrawn after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date ("Original Installment Share") and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such amounts repayable to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

3. (a) Amounts of the Loan withdrawn within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.
(b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.

4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the Withdrawn Loan Balance to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (i) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the 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

Definitions

1. “AFD Co-financing” means an amount of seventy million Euros (€70,000,000) to be provided as a loan by the Agence Française de Développement (AFD), to assist in financing Part A of the Project.

2. “AFD Co-financing Agreement” means an agreement to be entered into between the Borrower and AFD providing for the co-financing of Part A of the Project by AFD.


4. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.


6. “EGAS Implementation Agreement” means, individually, the agreement to be entered into as set forth in Section 5.02 (b) of this Agreement between:

   (a) EGAS and Egypt Gas Company and ReGas for carrying out activities under Part A of the Project in Selected Areas in the following governorates: Qalubia, Menufia, Daqahlia, Qena, Gharbia, and Aswan, over which Egypt Gas Company has been granted concession to carry out such activities, and in Selected Areas in Sohag over which ReGas has been granted concession to carry out such activities and in respect of which ReGas has authorized Egypt Gas Company to carry out said activities on its behalf;

   (b) EGAS and Town Gas Company, ReGas, Sianco and SinaiGas for carrying out activities under Part A of the Project in Selected Areas in the following governorates: Alexandria, Giza, and Ismailia, over which Town Gas Company has been granted concession to carry out such activities, in Selected Areas in Marsa Matrouh over which ReGas has been granted concession to carry out such activities and in respect of which ReGas has authorized Town Gas Company to carry out said activities on its behalf, and in Selected Areas in Alexandria and Ismailia, over which Sianco and SinaiGas have, respectively, also been granted concession to carry out such activities, and in respect of which Sianco and SinaiGas have each authorized Town Gas Company to carry out said activities on their behalf; and

   (c) any other LDC for carrying out activities under Part A of the Project in Selected Areas in any other governorates selected during Project implementation for carrying out said activities over which it has been granted concession to carry out
such activities, or in respect of which it has been authorized by another LDC that has been granted concession to carry out such activities; and collectively called “EGAS Implementation Agreements.”

7. “Egypt Gas Company” means the company established in 1983 pursuant to the Investment Law No. 43 of 1974 and which has been granted concession by EGAS to carry out, among others, design, construction, management, operation and maintenance of natural gas activities related to domestic, commercial and industrial consumers in specified governorates in the Borrower’s territory, including Qalubia, Menufia, Daqahlia, Qena, Gharbia, and Aswan governorates, and any successor thereto.


9. “ENI Co-financing” means an amount of fifty-eight million Euros (€58,000,000) to be provided as a grant by the European Neighborhood Instrument (ENI) to assist in financing Parts B and C of the Project.

10. “ENI Co-financing Agreement” means an agreement to be entered into between the Borrower and ENI providing for the co-financing of Parts B and C of the Project by ENI.

11. “ESIA” means for a given activity under Part A of the Project, the site-specific environmental and social impact assessment for said activity to be carried out in accordance with the provisions of the ESIAF.

12. “ESIAF” means the Borrower’s environmental and social impact assessment framework, including the environmental and social management and monitoring framework and all schedules and annexes thereto, prepared and disclosed in the Borrower’s territory on March 23, 2014 and at the Bank’s Infoshop on March 24, 2014, detailing, inter alia: (a) the criteria and mechanisms for carrying out ESIA and QRA; (b) the measures to be taken during the implementation and operation of the Project to eliminate or offset adverse environmental and social impacts, or to reduce them to acceptable levels; and (c) the actions needed to implement these measures, including monitoring and institutional strengthening.

13. “ESMP” means a site-specific environmental and social management plan for the Project to be prepared and implemented in accordance with the provisions of the ESIAF and the applicable ESIA.

14. “Financial Management Manual” means the manual containing the guidelines and procedures for the financial management of the Project to be prepared and adopted by the Project Implementing Entity in form agreed to with the Bank and substance satisfactory to the Bank, as part of the Project Implementation Manual.

15. “Fiscal Year” means the fiscal year of the Borrower and the Project Implementing Entity starting July 1 and ending June 30 of each year.

17. "LDCs" means collectively, Town Gas Company, Egypt Gas Company, ReGas, Sianco, SinaiGas, and any other local distribution company with concession over governorates that are part of the Selected Areas; and individually called "LDC."

18. "Ministry of Finance" means the Borrower’s ministry responsible for finance, and any successor thereto.

19. "PMU" means the Project Management Unit established June 19, 2014 within EGAS by Administrative Order No. 242 of 2014, and referred to in Section I.A of Schedule 2 to this Agreement.


21. "Procurement Plan" means the Borrower’s procurement plan for the Project, dated June 9, 2014 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

22. "Project Agreement" means the agreement between the Bank and EGAS, of even date herewith, as the same may be amended from time to time; and such term includes all schedules and agreements supplemental to such Project Agreement.

23. "Project Implementation Manual" means the manual for the Project to be prepared and adopted in form and substance satisfactory to the Bank, and referred to in Section 5.02 (c) of this Agreement and Section I.D.1 of Schedule 2 to this Agreement, which shall contain detailed implementation arrangements as well as responsibilities and procedures to ensure proper coordination of Project activities, including the following provisions: (a) procedures and criteria for selecting target areas and households; (b) disbursement, financial management, and procurement procedures; (c) institutional administration, coordination, and day-to-day execution of Project activities; (d) monitoring and evaluation, reporting, and communications; (e) detailed procedures for coordination and collaboration among the agencies involved in the implementation of the Project, including LDCs; and (f) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project, as the same may be amended from time to time with prior written agreement of the Bank.


26. "QRA" means for a given activity under Part A of the Project, the site-specific Quantitative Risk Assessment for said activity to be carried out in accordance with the provisions of the ESIAF.

27. "RAP" means a site-specific resettlement action plan for Part A of the Project, satisfactory to the Borrower and the Bank, to be prepared and adopted by the Project Implementing Entity pursuant to the RPF, containing, *inter alia*, a program of actions, measures and policies for the compensation, resettlement and rehabilitation of persons affected by the implementation of the Project, including as a result of the acquisition of land and other assets, and loss of access to land, other assets or income, whether permanent or temporary, together with adequate institutional, monitoring, reporting and grievance redressal arrangements capable of ensuring proper implementation of, and regular compliance with, its terms for each site, as such plan may be updated from time to time with the prior approval of the Borrower and the Bank; and "RAPs" means more than one RAP.

28. "ReGas" means Regional Gas Company established in 2007 pursuant to the Borrower's Law No. 8 of 1997, and which has been granted concession by EGAS to carry out, among others, design, construction, management, operation and maintenance of natural gas activities related to domestic, commercial and industrial consumers in specified governorates in the Borrower's territory, including Sohag and Marsa Matrouh governorates, and any successor thereto.

29. "RPF" means the Borrower's resettlement policy framework for Part A of the Project, including all schedules and annexes thereto, prepared and disclosed in the Borrower's territory on March 23, 2014 and at the Bank's Infoshop on March 24, 2014, setting forth, *inter alia*: (a) the rules, procedures and guidelines for the resettlement, rehabilitation, livelihood improvement and payment of compensation to people affected by the implementation of the Project, including as a result of the acquisition of land and other assets, and loss of access to land, other assets or income, whether permanent or temporary, as well as monitoring, reporting, institutional and grievance redressal measures to be taken; and (b) the procedures and arrangements for the preparation of RAPs as may be required pursuant to said framework, as such framework may be updated from time to time with the prior written approval of the Borrower and the Bank.

30. "Safeguard Instruments" means, collectively, the ESIAF, ESIA, ESMP, RPF, RAP and QRA.

31. "Selected Areas" means the areas in the following governorates within the Borrower's territory where the Project will be implemented: Giza, over which Town Gas Company has concession to carry out its activities; Qalubia, Menoufia, Daqahlia, Qena, Gharbia and Aswan, over which Egypt Gas Company has concession to carry out its activities; Sohag, and Marsa Matrouh, over which ReGas has concession to carry out its activities; Alexandria, over which both Town Gas Company and SinaiGas have concession to carry out their respective activities; and Ismailia, over which both Town Gas Company and SinaiGas have concession to carry out their respective activities, all of which have been selected in accordance with methodology and targeting criteria agreed with the Bank and detailed in the Project Implementation Manual, and such other areas in these or other
governorates under the concession of these or other LDCs as may be selected during Project implementation with the prior written approval of the Bank.

32. “Sianco” means the company established in the year 2000 pursuant to the Borrower’s Law No. 3 of 1998, and which has been granted concession by EGAS to carry out, among others, design, construction, management, operation and maintenance of natural gas activities related to domestic, commercial and industrial consumers in specified governorates in the Borrower’s territory, including Alexandria governorate, and any successor thereto.

33. “SinaiGas” means the company established in 2010 pursuant to the Borrower’s Law No. 8 of 1997, and which has been granted concession by EGAS to carry out, among others, design, construction, management, operation and maintenance of natural gas activities related to domestic, commercial and industrial consumers in specified governorates in the Borrower’s territory, including Ismailia governorate, and any successor thereto.

34. “Subsidiary Loan Agreement” means the agreement referred to in Section L.B of Schedule 2 to this Agreement pursuant to which the Borrower shall make the proceeds of the Loan available to the Project Implementing Entity.

35. “Town Gas Company” means company established in the year 2000 pursuant to the Borrower’s Law No. 8 of 1997 and which has been granted concession by EGAS to carry out, among others, design, construction, management, operation and maintenance of natural gas activities related to domestic, commercial and industrial consumers in specified governorates in the Borrower’s territory, including Giza, Ismaillia, and Alexandria governorates, and any successor thereto.