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LOAN NUMBER 9490-DO

# Loan Agreement

(Dominican Republic Water Sector Modernization Program –  
*Programa de Modernización para el Sector Agua Potable y Saneamiento*)

between

DOMINICAN REPUBLIC

and

INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT

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## LOAN AGREEMENT

AGREEMENT dated as of the Signature Date between DOMINICAN REPUBLIC (“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) apply to and form 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 the amount of two hundred fifty million Dollars, (\$250,000,000), as such amount may be converted from time to time through a Currency Conversion (“Loan”), to assist in financing:
  - (a) the program-for-results financing described in Part 1 of Schedule 1 to this Agreement (“Program”); and
  - (b) the investment project financing described in Part 2 of Schedule 1 to this Agreement (“Project”) (the Program and the Project hereinafter jointly referred to as the “Operation”).
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement. All withdrawals from the Loan Account (to which the amounts of the Loan are credited) shall be deposited by the Bank into an account specified by the Borrower and acceptable to the Bank.
- 2.03. The Front-end Fee is one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The Commitment Charge is one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.05. The interest rate is the Reference Rate plus the Variable Spread; or such rate as may apply following a Conversion; subject to Section 3.02(e) of the General Conditions.
- 2.06. The Payment Dates are May 15 and November 15 in each year.
- 2.07. The principal amount of the Loan shall be repaid in accordance with Schedule 4 to this Agreement.



### ARTICLE III — OPERATION

3.01. The Borrower declares its commitment to the objectives of the Operation and the MPA Program. To this end, the Borrower shall carry out the Operation through the overall coordination of MEPyD, and:

- (a) cause each WSS Service Provider to carry out the WSS Service Providers' Respective Part of the Program;
- (b) carry out MEPyD's Respective Part of the Project; and
- (c) cause INDRHI to carry out INDRHI's Respective Part of the Project;

all in accordance with the provisions of Article V of the General Conditions, Schedule 2 to this Agreement and the Subsidiary Agreements, as applicable.

### ARTICLE IV — EFFECTIVENESS; TERMINATION

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

- (a) that the Borrower, through MEPyD and INDRHI, has developed and approved the Operations Manual set forth in Section I.C.1 of Schedule 2 to this Agreement in a manner and substance satisfactory to the Bank;
- (b) that the Subsidiary Agreement for the Program between the Borrower and the WSS Service Providers has been duly signed and any conditions precedent to its effectiveness have been fulfilled; and
- (c) that the Borrower, through MEPyD, has established and properly staffed the PCMU, in accordance with Section I.A.2 of Schedule 2 to this Agreement.

4.02. The Effectiveness Deadline is the date one hundred eighty (180) days after the Signature Date (unless the Bank, after consideration of the reasons for the delay, establishes a later Effectiveness Deadline for the purpose of Section 9.04 of the General Conditions).

### ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. Except as provided in Section 2.02 of this Agreement and in the ESCP, the Borrower's Representative is its Minister of Finance.

5.02. For purposes of Section 10.01 of the General Conditions:

(a) the Borrower's address is:

Ministry of Finance (*Ministerio de Hacienda*)  
Av. México 45, Gazcue  
Santo Domingo de Guzmán, Distrito Nacional  
Dominican Republic; and



(b) the Borrower's Electronic Address is:

E-mail:

jovicente@hacienda.gov.do

5.03. For purposes of Section 10.01 of the General Conditions:

(a) the Bank's address is:

International Bank for Reconstruction and Development

1818 H Street, N.W.

Washington, D.C. 20433

United States of America; and

(b) the Bank's Electronic Address is:

Telex:  
248423(MCI) or  
64145(MCI)

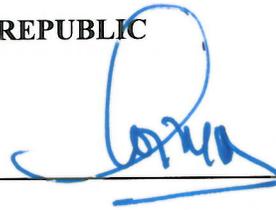
Facsimile:  
1-202-477-6391

E-mail:  
mkerf@worldbank.org

AGREED as of the Signature Date.

**DOMINICAN REPUBLIC**

By



Authorized Representative

Name: José Manuel Vicente

Title: Ministro de Hacienda

Date: 05-Jul-2023

**INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT**

By



Authorized Representative

Name: Michel Kerf

Title: Country Director

Date: 28-Jun-2023



## SCHEDULE 1

### Operation Description

The objectives of the Operation are to: (a) improve the planning capacity and operational and commercial efficiency of selected water supply and sanitation institutions; and (b) increase access to safely managed water and sanitation services in Selected Water Stressed Areas.

The Operation constitutes the first phase of the MPA Program, and consists of the program -for-results financing (“Program”) described under Part 1 and the investment project financing (“Project”) described under Part 2, as follows:

#### **Part 1: The Program**

The Program consists of the following activities:

#### **Result Area 1 – Increase Access to Safely Managed WSS Services in Selected Water Stressed Areas**

1. Expanding access to Safely Managed Water and Safely Managed Sanitation services in Selected Water Stressed Areas, including: (a) rehabilitation and extension of water supply networks, rehabilitation and construction of water treatment plants, and reduction of physical water losses; (b) promotion of water conservation through the development and adoption of improved demand side management measures; and (c) carrying out of social engagement strategies to connect Households to existing sewers, rehabilitating and expanding sewerage networks, and rehabilitating and constructing wastewater treatment plants; all considering resilience to climatic and non-climatic events in designs.

#### **Result Area 2 – Improve the Planning Capacity and Operational and Commercial Efficiency of Selected WSS Service Providers**

2. Strengthening the planning capacity and institutional and operational performance of the WSS Service Providers in Selected Water Stressed Areas, including investments in: (a) non-revenue water reduction to reduce physical and commercial losses; and (b) improved energy efficiency; and (c) digitalization and updating of WSS User Cadasters and Network Cadasters.

#### **Result Area 3 – Strengthen Policies and Institutions for WSS services**

3. Improving performance monitoring of the WSS subsector and strengthening the corporate governance of the WSS Service Providers, including investments in (a) improving the quantity and quality of operational and commercial data generated by the WSS Service Providers; and (b) the promotion of process improvements to modernize billing and collection systems and improve transparency, financial management and reporting, citizen engagement, and gender equity.



## Part 2: The Project

The Project consists of the following activities:

1. *Supervision, Coordination, Monitoring, and Evaluation.* Providing financial support for: (a) supervision, coordination, monitoring, and evaluation of the Operation, including, *inter alia*, support to the PCMU for fiduciary administration, preparation and implementation of Project environmental and social instruments, the acquisition of basic office equipment and vehicles, the refurbishment of the MEPyD's offices within existing governmental buildings, the verification of DLIs/DLRs, and the carrying out of communications and awareness activities, and Program and Project financial audits; and (b) the development and implementation of a WSS performance monitoring framework.
2. *Capacity building on Water Supply and Sanitation.* Capacity building and just-in-time technical assistance to institutions of the central government and WSS Service Providers on, *inter alia*: (a) the preparation of terms of reference for water and energy audits and energy efficiency plans to reduce water and energy usage; (b) preparation of terms of reference for the digitalization of User Cadasters and Network Cadasters; (c) reducing non-revenue water; (d) investment project planning and procurement planning; (e) planning to improve the resilience of service delivery; (f) improving gender inclusion and citizen engagement; (g) development and adaptation of standard financial statements that follow best practices; (h) tariff studies; and (i) development of a financial management module for public companies.
3. *Water Resources Management.* Providing financial support for WRM, including, *inter alia*. for: (a) improving the legal and institutional framework for WRM; (b) carrying out capacity building and training programs for WRM professionals; (c) developing a methodology to formalize water rights and piloting the methodology in a sub-basin of *Yaque del Norte*; (d) modernizing the national information system for water resources, including the water rights registry, and improving understanding of water resources data in the *Yaque del Norte* basin; (e) strengthening the security and joint operation of dams in the *Yaque del Norte* basin; (f) developing a plan for the management of water resources in the *Yaque del Norte Basin*; and (g) installing hydrometric measurement stations, rehabilitating nodes to receive and process hydrometric data, or improving dam instrumentation, and the refurbishment of INDRHI's offices within existing governmental buildings, through the financing of non-consulting services and minor works, as needed.



## SCHEDULE 2

### Operation Execution

#### Section I. Implementation Arrangements

##### A. Operations Institutions

1. The Borrower shall carry out the Operation with the following distribution of roles and responsibilities, as further detailed in the Operations Manual:
  - (a) MEPyD shall: (i) have overall implementation oversight of the Operation, including for reporting, monitoring, and evaluation; (ii) be responsible for accounting of Program funds; and (iii) execute MEPyD's Respective Part of the Project, including the fiduciary, social, and environmental aspects related with said Part of the Project.
  - (b) Each WSS Service Provider shall be responsible for: (i) planning, budgeting, and carrying out the WSS Service Provider's Respective Part of the Program in its respective administrative district, and for achieving Program DLIs/DLRs; (ii) appointing a WSS Service Provider program coordinator; and (iii) providing MEPyD and the Verification Agent timely information on the achievement of DLIs/DLRs and annual audited financial statements as specified in the Operations Manual; and
  - (c) INDRHI shall be responsible for the execution of INDRHI's Respective Part of the Project, including for the fiduciary, social, and environmental aspects related with said Part of the Project.
2. The Borrower, through MEPyD, shall establish, and thereafter operate and maintain, throughout Project implementation, a coordination and monitoring unit for the Operation within MEPyD (the "PCMU"), with functions and responsibilities, and staffed with personnel in number and with qualifications and experience acceptable to the Bank as set forth in the Operations Manual, including, *inter alia*, a coordinator for the Operation, a senior financial management specialist and a senior procurement specialist.
3. The Borrower, through MEPyD, shall no later than three (3) months after the Effective Date, hire independent auditor(s) in number and with experience and qualifications acceptable to the Bank, for purposes of carrying out audits of the Operation in accordance with terms of reference set forth in the Operations Manual, and consistently applied auditing standards, all acceptable to the Bank.
4. The Borrower shall cause INDRHI to maintain, throughout Project implementation, a unit within INDRHI (the "PCIU"), with functions and responsibilities, and staffed with personnel in number and with qualifications and experience acceptable to the Bank as set forth in the Operations Manual, including, *inter alia*, an accountant.
5. No later than three (3) months after the Effective Date, the Borrower, through MEPyD shall, and shall cause INDRHI to: (a) create, and thereafter maintain throughout each



calendar year of Project implementation, a specific budget line entry in the national annual budget to keep track of the corresponding expenditures incurred during Project implementation; and (b) establish, and thereafter maintain throughout the implementation of the Project, accounting, reporting, and internal control processes acceptable to the Bank, all in accordance with the criteria set forth in the Operations Manual.

## **B. Subsidiary Agreements**

### **1. Subsidiary Agreement for the Program**

- (a) For purposes of complying with its obligations under this Agreement, the Borrower shall make part of the Loan allocated to the Program available to each WSS Service Provider, on a grant basis, under a subsidiary agreement between the Borrower, through the Ministry of Finance, and each WSS Service Provider (“Subsidiary Agreement for the Program”) under terms and conditions approved by the Bank, which shall include, *inter alia*:
  - (i) the Borrower’s obligation to program and transfer Loan proceeds allocated to the Program to each WSS Service Provider consistent with the respective Allocated Amounts per DLRs achieved by each WSS Service Provider specified under Schedule 3 to this Agreement for the achievement of any attributable DLI #3 through #10.
  - (ii) the WSS Service Provider’s obligation to ensure that its respective activities under the Program are carried out in accordance with all of the applicable provisions of this Agreement, including the provisions set forth in the General Conditions (including the Program Fiduciary, Environmental and Social Systems), the Operations Manual, the Program Action Plan and the Anti-corruption Guidelines.
- (b) The Borrower shall exercise its rights under each Subsidiary Agreement for the Program in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan.
- (c) Except as the Bank shall otherwise agree, the Borrower shall not assign, amend, abrogate, or waive any Subsidiary Agreement for the Program or any of its provisions.

### **2. Inter-Institutional-Subsidiary Agreement**

- (a) For purposes of complying with its obligations under this Agreement, the Borrower, through the Ministry of Finance, shall make part of the proceeds of the Loan allocated to the Project available to INDRHI, on a grant basis, under a tripartite agreement between the Ministry of Finance, MEPyD, and INDRHI (“Inter-Institutional-Subsidiary Agreement”), under terms and conditions approved by the Bank, which shall include, *inter alia*: (i) INDRHI’s obligation to: (A) carry out its Respective Part of the Project in accordance with the provisions of this Agreement, including the provisions set forth in the General Conditions, the Operations Manual, the ESCP, the Procurement Regulations and the Anti-



Corruption Guidelines; and (B) submit progress and financial reports to MEPyD; and (ii) MEPyD's responsibility for consolidating financial reports for the Project.

- (b) The Borrower shall exercise its rights under the Inter-Institutional-Subsidiary Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan.
- (c) Except as the Bank shall otherwise agree, the Borrower shall not assign, amend, abrogate or waive the Inter-Institutional-Subsidiary Agreement or any of its provisions.

**C. Operations Manual**

- 1. Without limitation upon the provisions of Article V of the General Conditions, the Borrower shall carry out and cause the Operation to be carried out in accordance with the Operations Manual, which shall include a section for the Program and another section for the Project, and including, as applicable to each section, *inter alia*: (a) the Program Action Plan; (b) the definition of the contours of the Program and Project activities, including results framework, overall budget and detailed Program Expenditures; (c) the Program Fiduciary, Environmental and Social Systems; (d) financial management protocols and standards; (e) detailed guidelines for the administration and flow of funds, including chart of accounts and contents and format of interim unaudited financial reports; (f) procurement arrangements; (g) the verification protocol agreed with the Bank for evaluating the achievement of the DLIs and their respective DLRs; (h) monitoring and evaluation requirements, including verification systems for the Program; (i) the functions, responsibilities and composition of the PCMU and the PCIU and; (j) the Anti-corruption Guidelines.
- 2. Except as the Bank may otherwise agree in writing, the Borrower shall not abrogate, amend, suspend, waive, or otherwise fail to enforce the Operations Manual or any provision thereof.
- 3. In case of any conflict between the terms of the Operations Manual and this Agreement, the provisions of this Agreement shall prevail.

**D. Independent Verification Agent for the Program**

- 1. The Borrower, through MEPyD, shall:
  - (a) appoint (not later than the date specified in the Operations Manual), and thereafter maintain at all times during the implementation of the Program, an independent verification agent with experience and qualifications and under terms of reference acceptable to the Bank (the "Verification Agent"), to verify the data and other evidence supporting the achievement of the DLIs/DLRs, as set forth in the table in Schedule 3 to this Agreement; and
  - (b) (i) ensure that the Verification Agent carries out the DLIs/DLRs' verification process(es) in accordance with the Verification Protocol; and (ii) submit to the Bank the corresponding verification reports no later than July 31 of each Fiscal



Year throughout Program execution, starting in Fiscal Year 2024 in form and substance satisfactory to the Bank. With respect to Fiscal Year 2028, the corresponding verification reports shall be submitted no later than June 1, 2028, in form and substance satisfactory to the Bank.

**E. Program Action Plan**

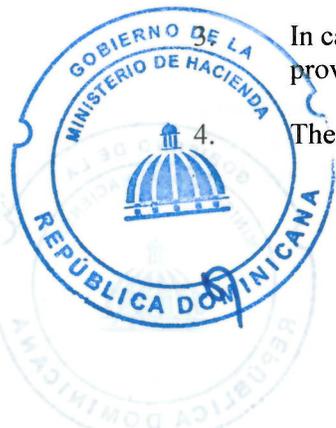
1. The Borrower, through MEPyD, shall carry out the Program Action Plan, and cause the Program Action Plan to be carried out by the WSS Service Providers in accordance with the schedule set out in the said Program Action Plan, and in a manner satisfactory to the Bank; and
2. The Borrower, through MEPyD, shall, and shall cause the WSS Service Providers to, refrain from materially and/or substantially amending, revising, waiving, voiding, abrogating or suspending any provision of the Program Action Plan, whether in whole or in part, without the prior written concurrence of the Bank.
3. In the event of any inconsistency between a provision of the Program Action Plan and those of this Agreement, the provisions of this Agreement shall prevail.

**F. Environmental and Social Standards**

1. The Borrower through MEPyD, shall, and shall cause INDRHI to, ensure that the Project is carried out in accordance with the Environmental and Social Standards in a manner acceptable to the Bank.
2. Without limitation upon paragraph 1 above, the Borrower through MEPyD, shall, and shall cause INDRHI to ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Bank. To this end, the Borrower shall, and shall cause INDRHI to, ensure that:
  - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;
  - (b) sufficient funds are available to cover the costs of implementing the ESCP;
  - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
  - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Bank shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.

In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.

4. The Borrower, through MEPyD, shall, and shall cause INDRHI to, ensure that:



- (a) all measures necessary are taken to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Bank, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Bank, setting out, inter alia: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
  - (b) the Bank is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
5. The Borrower, through MEPyD, shall, and shall cause INDRHI to, establish, publicize, maintain, and operate an accessible grievance mechanism to receive and facilitate the resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Bank.
6. The Borrower, through MEPyD, shall, and shall cause INDRHI to, ensure that all bidding documents and contracts for civil works under the Project, include the obligation of contractors to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

**Section II. Excluded Activities**

The Borrower, through MEPyD, shall ensure that the Program excludes any activities which:

- A. in the opinion of the Bank, are likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people; or
- B. involve the procurement of: (1) works, estimated to cost \$75,000,000 equivalent or more per contract; (2) goods, estimated to cost \$50,000,000 equivalent or more per contract; (3) non-consulting services, estimated to cost \$50,000,000 equivalent or more per contract; or (4) consulting services, estimated to cost \$20,000,000 equivalent or more per contract.

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**Section III. Program and Project Monitoring, Reporting and Evaluation**

The Borrower, through MEPyD, shall furnish to the Bank each Program Report and Project Report not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester.

**Section IV. Withdrawal of Loan Proceeds**

**A. General**

1. Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Borrower may withdraw the proceeds of the Loan:

- (a) with respect to the **Program**: (i) to finance Program Expenditures (inclusive of Taxes), on the basis of the results (“Disbursement Linked Results” or “DLRs”) achieved by the WSS Service Providers, as measured against specific indicators (“Disbursement Linked Indicators” or “DLIs”) in the amounts allocated against Categories (1) through (10); and (ii) to pay the Front-end Fee; all as set forth in the table in paragraph 2 of this Part A;
- (b) with respect to the **Project**: (i) to finance the Eligible Expenditures (inclusive of Taxes) in the amount allocated and, if applicable, up to the percentage set forth against Categories (11) and (12); and (ii) to pay the Front-end Fee; all as set forth in the table in paragraph 2 of this Part A;

2. The following table specifies each category of withdrawal of the proceeds of the Loan and allocated amounts for each such category (“Category”), including, as applicable: (a) the Disbursement Linked Indicators under the Program and the total amount of the Loan allocated to/capped for each DLR under Categories (1) through (10); and (b) the Eligible Expenditures under the Project under Categories (11) and (12), as well as the financing percentage thereof. Notwithstanding the foregoing, for purposes of Categories (1) through (10) of the table below, the actual amount authorized for disbursement against each Disbursement Linked Result corresponding to a Disbursement Link Indicator is set forth in Schedule 3 to this Agreement.

<b>Category (including Disbursement Linked Indicator as applicable)</b>	<b>Amount of the Loan Allocated to each Category (expressed in USD)</b>	<b>Amount of the Loan Allocated to/Capped for each DLR (expressed in USD)</b>	<b>Percentage of Eligible Expenditures to be financed (inclusive of Taxes)</b>
(1) DLI #1: Households serviced with Safely Managed Water supply DLR # (a):	25,000,000	25,000,000	Not applicable



<p><b>(2) DLI #2:</b> Households serviced with Safely Managed Sanitation</p> <p>DLR #2(a):</p>	<p>25,000,000</p>	<p>25,000,000</p>	<p>Not applicable</p>
<p><b>(3) DLI #3:</b> Strengthened accountability and improved planning capacity</p> <p>Year 1: DLR #3(a): Year 2: DLR #3(b): Year 3: DLR #3(c): Year 4: DLR #3(d): Year 5: DLR #3(e):</p>	<p>11,250,000</p>	<p>Year 1: 1,500,000 Year 2: 2,440,000 Year 3: 2,440,000 Year 4: 2,440,000 Year 5: 2,430,000</p>	<p>Not applicable</p>
<p><b>(4) DLI #4:</b> Improved capital budget planning and implementation</p> <p>Year 2: DLR #4(b): Year 3: DLR #4(c): Year 4: DLR #4(d): Year 5: DLR #4(e):</p>	<p>9,750,000</p>	<p>Year 2: 2,440,000 Year 3: 2,440,000 Year 4: 2,440,000 Year 5: 2,430,000</p>	<p>Not applicable</p>
<p><b>(5) DLI #5:</b> Increased collection rates</p> <p>Year 3: DLR #5(c): Year 4: DLR #5(d): Year 5: DLR #5(e):</p>	<p>13,500,000</p>	<p>Year 3: 3,000,000 Year 4: 4,500,000 Year 5: 6,000,000</p>	<p>Not applicable</p>
<p><b>(6) DLI #6:</b> Improved operational planning, NRW performance and energy efficiency</p> <p>Year 1: DLR #6(a): Year 2: DLR #6(b): Year 3: DLR #6(c): Year 4: DLR #6(d): Year 5: DLR #6(e):</p>	<p>34,500,000</p>	<p>Year 1: 2,500,000 Year 2: 8,000,000 Year 3: 8,000,000 Year 4: 8,000,000 Year 5: 8,000,000</p>	<p>Not applicable</p>

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(7) <b>DLI #7:</b> Reduced non-revenue water (NRW)  Year 3: DLR #7(c): Year 4: DLR #7(d): Year 5: DLR #7(e):	15,250,000	Year 3: 4,000,000 Year 4: 5,150,000 Year 5: 6,100,000	Not applicable
(8) <b>DLI #8:</b> Improved energy efficiency  Year 3: DLR #8(c): Year 4: DLR #8(d): Year 5: DLR #8(e):	15,250,000	Year 3: 4,000,000 Year 4: 5,150,000 Year 5: 6,100,000	Not applicable
(9) <b>DLI #9:</b> Strengthened corporate governance  Year 1: DLR #9(a): Year 2: DLR #9(b): Year 3: DLR #9(c): Year 4: DLR #9(d): Year 5: DLR #9(e):	50,500,000	Year 1: 3,000,000 Year 2: 11,600,000 Year 3: 11,800,000 Year 4: 11,970,000 Year 5: 12,130,000	Not applicable
(10) <b>DLI #10:</b> Strengthened performance monitoring  Year 2: DLR #10 (b): Year 3: DLR #10 (c): Year 4: DLR #10 (d): Year 5: DLR #10 (e):	25,000,000	Year 2: 5,950,000 Year 3: 6,100,000 Year 4: 6,330,000 Year 5: 6,620,000	
(11) Goods, works, non-consulting services, consulting services, Operating Costs and Training for Parts 2.1, 2.2 and 2.3(a) of the Project	16,875,000	Not Applicable	100%
(12) Goods, works, non-consulting services, consulting services, Operating Costs and Training for Parts 2.3 (b), 2.3 (c).	7,500,000	Not Applicable	100%



2.3(d), 2.3(e) and 2.3 (f) of the Project			
(13) Front-end Fee	625,000	Not Applicable	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.05 (b) of the General Conditions
<b>TOTAL AMOUNT</b>	<b>250,000,000</b>		

**B. Withdrawal Conditions for the Program**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
  - (a) on the basis of DLRs achieved prior to the Signature Date, or
  - (b) for any DLR under Category (1) to (10) set forth in Schedule 3 to this Agreement, until and unless the Borrower has furnished evidence satisfactory to the Bank that said DLR has been achieved in form and substance acceptable to the Bank, as further detailed in Schedule 3 to this Agreement and in the Verification Protocol.
  
2. (a) Notwithstanding the provisions of Part B.1(b) of this Section, the Borrower may withdraw an amount not to exceed \$56,250,000 as an advance; provided, however, that if the DLR(s) in the opinion of the Bank, is/are not achieved (or only partially achieved) by the Closing Date, the Borrower shall refund such advance (or portion of such advance as determined by the Bank in accordance with the table included under Schedule 3 to this Agreement, when applicable) to the Bank promptly upon notice thereof by the Bank.
  - (b) Except as otherwise agreed with the Borrower, the Bank shall cancel the amount so refunded.
  - (c) Any further withdrawals requested as an advance under the Categories (1) through (10) shall be permitted only on such terms and conditions as the Bank shall specify by notice to the Borrower.
  
3. Notwithstanding the provisions of Part B.1(b) of this Section, if any of the DLRs set forth under Categories (1) to (10) and further detailed in Schedule 3 to this Agreement has not been achieved by the date by which the said DLR is set to be achieved in accordance with Schedule 3 to this Agreement and as further specified in the Verification Protocol or the Closing Date (if there were not any such prior date/deadline), the Bank may, by notice to the Borrower: (a) reallocate all or a portion of the proceeds of the Loan then allocated to said DLR to any other DLR; and/or (b) cancel all or a portion of the proceeds of the Loan then allocated to said DLR.
  
4. Notwithstanding the provisions of Part B.1(b) of this Section, the Bank may, after consultation and agreement with, and by notice to the Borrower, adjust from time to time the baselines and targets set forth for specific DLRs.



**C. Withdrawal Conditions for the Project**

Notwithstanding the provisions of Part A above, no withdrawal shall be made:

- (a) for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed \$5,000,000 may be made for payments made prior to this date (but in no case more than one year before the Signature Date), for consulting services under Category (11); or
- (b) for eligible Expenditures under (12), unless and until the Inter-institutional - Subsidiary Agreement has been signed by the parties thereto, in terms and conditions satisfactory to the Bank.

**D. Operation's Withdrawal Period**

The Closing Date is December 31, 2027 (or such other date as the Bank shall establish, upon a request from the Borrower, by notice to the Borrower).



**SCHEDULE 3**

**Disbursement Linked Indicators, Disbursement Linked Results and Allocated Amounts (including Allocated Amounts per DLRs achieved by each WSS Service Provider, as applicable)**

DISBURSEMENT LINKED INDICATORS	DISBURSEMENT-LINKED RESULTS				
	RESULTS TO BE ACHIEVED IN YEAR 1	RESULTS TO BE ACHIEVED IN YEAR 2	RESULTS TO BE ACHIEVED IN YEAR 3	RESULTS TO BE ACHIEVED IN YEAR 4	RESULTS TO BE ACHIEVED IN YEAR 5
<b>DLI #1:</b> Households serviced with Safely Managed Water supply Baseline: 0	1.a Number of additional Households Served with Safely Managed Water Supply: 34,700 (Scalable DLR)				
<b>Allocated Amounts</b>	US\$721 for every Additional Safely Managed Water Connection				
<b>DLI #2:</b> Households serviced with Safely Managed Sanitation Baseline: 0	2.a Number of additional Households Served with Safely Managed Sanitation: 76,300 (Scalable DLR)				
<b>Allocated Amounts</b>	US\$328 for every Additional Safely Managed Sanitation Connection				
<b>DLI #3:</b> Strengthened accountability and improved	3.a (i) Performance Agreement signed; and	3.b (i). Achievements against Performance Agreement evaluated by PCMU and annual	3.c (i). Achievements against Performance Agreement evaluated by PCMU and annual goals updated by	3.d (i). Achievements against Performance Agreement evaluated by PCMU and annual	3.e (i). Achievements against Performance Agreement evaluated by PCMU and annual goals



DISBURSEMENT-LINKED RESULTS					
DISBURSEMENT LINKED INDICATORS	RESULTS TO BE ACHIEVED IN YEAR 1	RESULTS TO BE ACHIEVED IN YEAR 2	RESULTS TO BE ACHIEVED IN YEAR 3	RESULTS TO BE ACHIEVED IN YEAR 4	RESULTS TO BE ACHIEVED IN YEAR 5
planning capacity	<p>(ii) Four-year PEI including the POA and the related budget prepared and approved by the respective WSS Service Provider's board of directors or Executive Director according to the requirements of the respective provider.</p> <p>(Non-Scalable DLR)</p>	<p>goals updated by WSS Service Provider and published in the respective WSS Service Provider's website; and</p> <p>(ii). Annual operating and capital investment budget prepared and approved by the respective WSS Service Provider's board of directors according to the dates established in DIGEPRES' guidelines for budget formulation; and</p> <p>(iii). At least 65% of activities related to efficiency improvement included in the POA for the year completed by the respective WSS Service Provider as planned.</p> <p>(Non-Scalable DLR)</p>	<p>WSS Service Provider and published in the respective WSS Service Provider's website; and</p> <p>(ii). Annual operating and capital investment budget prepared and approved by the respective WSS Service Provider's board of directors according to the dates established in DIGEPRES' guidelines for budget formulation; and</p> <p>(iii). At least 70% of activities related to efficiency improvement included in the POA for the year completed by the respective WSS Service Provider as planned.</p> <p>(Non-Scalable DLR)</p>	<p>goals updated by WSS Service Provider and published in the respective WSS Service Provider's website; and</p> <p>(ii). Annual operating and capital investment budget prepared and approved by the respective WSS Service Provider's board of directors according to the dates established in DIGEPRES' guidelines for budget formulation; and</p> <p>(iii). At least 75% of activities related to efficiency improvement included in the POA for the year completed by the respective WSS Service Provider as planned.</p> <p>(Non-Scalable DLR)</p>	<p>updated by WSS Service Provider and published in the respective WSS Service Provider's website; and</p> <p>(ii). Annual operating and capital investment budget prepared and approved by the respective WSS Service Provider's board of directors according to the dates established in DIGEPRES' guidelines for budget formulation; and</p> <p>(iii). At least 80% of activities related to efficiency improvement included in the POA for the year implemented and completed by the respective WSS Service Provider as planned.</p> <p>(Non-Scalable DLR)</p>



DISBURSEMENT-LINKED RESULTS					
DISBURSEMENT LINKED INDICATORS	RESULTS TO BE ACHIEVED IN YEAR 1	RESULTS TO BE ACHIEVED IN YEAR 2	RESULTS TO BE ACHIEVED IN YEAR 3	RESULTS TO BE ACHIEVED IN YEAR 4	RESULTS TO BE ACHIEVED IN YEAR 5
<i>Allocated Amounts to be disbursed per DLRs achieved by each WSS Service Provider</i>	INAPA: \$ 640,000 CORAAASAN: \$ 590,000 CORAAAVEGA: \$ 270,000	INAPA: \$ 1,040,000 CORAAASAN: \$ 960,000 CORAAAVEGA: \$ 440,000	INAPA: \$ 1,040,000 CORAAASAN: \$ 960,000 CORAAAVEGA: \$ 440,000	INAPA: \$ 1,040,000 CORAAASAN: \$ 960,000 CORAAAVEGA: \$ 440,000	INAPA: \$ 1,030,000 CORAAASAN: \$ 960,000 CORAAAVEGA: \$ 440,000
<b>DLI #4:</b> Improved capital budget planning and implementation		4 b. In Year 2, each WSS Service Provider has prepared a costed annualized procurement plan for capital investments, with an associated cash plan, and included it as part of their respective annual budget proposal to the Borrower for FY 2025.	4 c. In Year 3, each WSS Service Provider has prepared a costed annualized procurement plan for capital investments, with an associated cash plan, and included it as part of their respective annual budget proposal to the Borrower for FY 2026.	4 d. In Year 4, each WSS Service Provider has prepared a costed annualized procurement plan for capital investments, with an associated cash plan, and included it as part of their respective annual budget proposal to the Borrower for FY 2027.	4 e. In Year 5, each WSS Service Provider has prepared a costed annualized procurement plan for capital investments, with an associated cash plan, and included it as part of their respective annual budget proposal to the Borrower for FY 2028.
		(Non-Scalable DLR)	(Non-Scalable DLR)	(Non-Scalable DLR)	(Non-Scalable DLR)
<i>Allocated Amounts to be disbursed per DLRs achieved by each WSS Service Provider</i>		INAPA: \$ 1,040,000 CORAAASAN: \$ 960,000 CORAAAVEGA: \$ 440,000	INAPA: \$ 1,040,000 CORAAASAN: \$ 960,000 CORAAAVEGA: \$ 440,000	INAPA: \$ 1,040,000 CORAAASAN: \$ 960,000 CORAAAVEGA: \$ 440,000	INAPA: \$ 1,030,000 CORAAASAN: \$ 960,000 CORAAAVEGA: \$ 440,000
<b>#5:</b> Increased			5. c. Percentage point increase in the collection rate of the respective WSS Service Provider:	5. d. Cumulative percentage point increase in the collection	5. e. Cumulative percentage point increase in the collection rate of





DISBURSEMENT-LINKED RESULTS					
DISBURSEMENT LINKED INDICATORS	RESULTS TO BE ACHIEVED IN YEAR 1	RESULTS TO BE ACHIEVED IN YEAR 2	RESULTS TO BE ACHIEVED IN YEAR 3	RESULTS TO BE ACHIEVED IN YEAR 4	RESULTS TO BE ACHIEVED IN YEAR 5
collection rates Baseline: INAPA: 78.3% CORAAASAN: 79.1% CORAAVEGA A: 66.1 %			INAPA: 1.0 % points CORAAASAN: 1.0 % points CORAVEGA: 11.9 % points  (Non-Scalable DLR)	rate of the respective WSS Service Provider: INAPA: 3.0 % points CORAAASAN: 3.0 % points CORAVEGA: 16.9 % points  (Non-Scalable DLR)	the respective WSS Service Provider: INAPA: 5.0 % points CORAAASAN: 5.0 % points CORAVEGA: 18.9 % points  (Non-Scalable DLR)
<i>Allocated Amounts to be disbursed per DLRs achieved by each WSS Service Provider</i>			INAPA: \$ 1,270,000 CORAAASAN: \$ 1,200,000 CORAAVEGA: \$ 530,000	INAPA: \$ 1,910,000 CORAAASAN: \$ 1,790,000 CORAAVEGA: \$ 800,000	INAPA: \$ 2,550,000 CORAAASAN: \$ 2,380,000 CORAAVEGA: \$ 1,070,000
<b>DLI #6:</b> Improved operational planning, NRW performance and energy efficiency	6 a. (i). Provisional NRW reduction and energy efficiency strategies developed by the respective WSS Service Provider and	6 b. (i). Annual water audits in Priority Hydraulic Systems and Sectors as identified in provisional NRW strategy and energy audits in priority facilities as identified in the energy efficiency provisional	6 c. (i). Annual water audit in Priority Hydraulic Systems and Sectors as identified in NRW strategy and energy audit in Selected Facilities and monitoring measures implemented by the respective WSS Service Provider;	6 d. (i). Annual water audit in Priority Hydraulic Systems and Sectors as identified in NRW strategy and energy audit in Selected Facilities monitoring measures implemented by the	6 e. (i). Annual water audit in Priority Hydraulic Systems and Sectors as identified in NRW strategy and energy audit in Selected Facilities monitoring measures implemented by the

DISBURSEMENT-LINKED RESULTS					
DISBURSEMENT LINKED INDICATORS	RESULTS TO BE ACHIEVED IN YEAR 1	RESULTS TO BE ACHIEVED IN YEAR 2	RESULTS TO BE ACHIEVED IN YEAR 3	RESULTS TO BE ACHIEVED IN YEAR 4	RESULTS TO BE ACHIEVED IN YEAR 5
	<p>approved by its management;</p> <p>(ii). Annual investment plan for the reduction of NRW and improved energy efficiency developed by the respective WSS Service Provider and approved by its management;</p> <p>(iii). Inclusion of the costs identified in the corresponding annual investment plan in the annual budget of the respective WSS Service Provider.</p> <p>(Non-Scalable DLR)</p>	<p>strategy completed, and monitoring measures implemented by the respective WSS Service Provider;</p> <p>(ii). Development and adoption by the respective Service Provider of a NRW and energy strategy based on water and energy audits;</p> <p>(iii). NRW and energy efficiency activities (as set forth in the Verification Protocol for each WSS Service Provider) included by the respective WSS Service Provider in the POA and in its budget, and are being implemented, and the annual results are monitored, reported, and published in the WSS Service Providers' website; and</p> <p>(iv). Digitalization of Water Network Cadaster and Users Cadaster plan is implemented by the respective WSS Service Provider, covering at least 60% of the water network and 80% of the users in priority hydraulic sectors</p> <p>(Non-Scalable DLR)</p>	<p>(ii). Respective WSS Service Provider NRW and energy strategies are updated based on annual water and energy audits;</p> <p>(iii). NRW and energy efficiency activities (as set forth in the Verification Protocol for each WSS Service Provider) included by the respective WSS Service Provider in the POA and in its budget, and are being implemented, and the annual results are monitored, reported, and published in the WSS Service Providers' website; and</p> <p>(iv). Digitalization of Water Network Cadaster and Users Cadaster plan is implemented by the respective WSS Service Provider, covering at least 75% of the users in priority hydraulic sectors</p>	<p>respective WSS Service Provider;</p> <p>(ii). Respective WSS Service Provider NRW and energy strategies are updated based on annual water and energy audits;</p> <p>(iii). NRW and energy efficiency activities (as set forth in the Verification Protocol for each WSS Service Provider) included by the respective WSS Service Provider in the POA and in its budget, and are being implemented, and the annual results are monitored, reported, and published in the WSS Service Providers' website; and</p> <p>(iv). Digitalization of Water Network Cadaster and Users Cadaster plan is implemented by the respective WSS Service Provider, covering at least 95% of the network and 100% of the users in priority hydraulic sectors.</p>	





DISBURSEMENT-LINKED RESULTS					
DISBURSEMENT LINKED INDICATORS	RESULTS TO BE ACHIEVED IN YEAR 1	RESULTS TO BE ACHIEVED IN YEAR 2	RESULTS TO BE ACHIEVED IN YEAR 3	RESULTS TO BE ACHIEVED IN YEAR 4	RESULTS TO BE ACHIEVED IN YEAR 5
		Network Cadaster developed and approved by the respective WSS Service Provider management. (Non-Scalable DLR)		of the network and 80% of the users in priority hydraulic sectors. (Non-Scalable DLR)	(Non-Scalable DLR)
<i>Allocated Amounts to be disbursed per DLRs achieved by each WSS Service Provider</i>	INAPA: \$ 980,000 CORAAASAN: \$ 1,240,000 CORAAVEGA: \$ 280,000	INAPA: \$ 3,000,000 CORAAASAN: \$ 4,000,000 CORAAVEGA: \$ 1,000,000	INAPA: \$ 3,000,000 CORAAASAN: \$ 4,000,000 CORAAVEGA: \$ 1,000,000	INAPA: \$ 3,000,000 CORAAASAN: \$ 4,000,000 CORAAVEGA: \$ 1,000,000	INAPA: \$ 3,000,000 CORAAASAN: \$ 4,000,000 CORAAVEGA: \$ 1,000,000
<b>DLI #7:</b> Reduced non-revenue water (NRW) Baseline: Established and reflected in the Verification Protocol as from Year 2 or earlier based on the results of water audits			7 c. Reduction of percentage points in NRW: INAPA: -2.0 % points CORAAASAN: -2.9 % points CORAAVEGA: -1.3 % points  (Non-Scalable DLR)	7 d. Cumulative reduction of percentage points in NRW: INAPA: -9.0 % points CORAAASAN: -11.0 % points CORAAVEGA: -5.0 % points  (Non-Scalable DLR)	7 e. Cumulative reduction of percentage points in NRW: INAPA: -13.0 % points CORAAASAN: -15.9 % points CORAAVEGA: -9.3 % points  (Non-Scalable DLR)

DISBURSEMENT-LINKED RESULTS					
DISBURSEMENT LINKED INDICATORS	RESULTS TO BE ACHIEVED IN YEAR 1	RESULTS TO BE ACHIEVED IN YEAR 2	RESULTS TO BE ACHIEVED IN YEAR 3	RESULTS TO BE ACHIEVED IN YEAR 4	RESULTS TO BE ACHIEVED IN YEAR 5
required under DLR#6 (b)(i)					
<i>Allocated Amounts to be disbursed to be disbursed per DLRs achieved by each WSS Service Provider</i>			INAPA: \$ 1,500,000 CORAASAN: \$ 2,000,000 CORAAVEGA: \$ 500,000	INAPA: \$ 2,000,000 CORAASAN: \$ 2,500,000 CORAAVEGA: \$ 650,000	INAPA: \$ 2,250,000 CORAASAN: \$ 3,000,000 CORAAVEGA: \$ 850,000
<b>DLI #8:</b> Improved energy efficiency Baseline: Established and reflected in the Verification Protocol as from Year 2 or earlier based on the results of energy audits required under DLR#6			8 c. Reduction of percentage points in the electricity consumption (kWh) per M3 of water dispatched to the water distribution system: INAPA: -5.3 % points CORAASAN: -7.9 % points CORAAVEGA: -3.8 % points  (Non-Scalable DLR)	8 d. Cumulative reduction of percentage points in the electricity consumption (kWh) per M3 of water dispatched to the water distribution system: INAPA: -18.0 % points CORAASAN: -16.4 % points CORAAVEGA: -13.0 % points  (Non-Scalable DLR)	8 e. Cumulative reduction of percentage points in the electricity consumption (kWh) per M3 of water dispatched to the water distribution system: INAPA: -22.6 % points CORAASAN: -21.5 % points CORAAVEGA: -22.0 % points  (Non-Scalable DLR)





DISBURSEMENT-LINKED RESULTS					
DISBURSEMENT LINKED INDICATORS	RESULTS TO BE ACHIEVED IN YEAR 1	RESULTS TO BE ACHIEVED IN YEAR 2	RESULTS TO BE ACHIEVED IN YEAR 3	RESULTS TO BE ACHIEVED IN YEAR 4	RESULTS TO BE ACHIEVED IN YEAR 5
<i>Allocated Amounts to be disbursed per DLRs achieved by each WSS Service Provider</i>			INAPA: \$ 1,500,000 CORAASAN: \$ 2,000,000 CORAAVEGA: \$ 500,000	INAPA: \$ 2,000,000 CORAASAN: \$ 2,500,000 CORAAVEGA: \$ 650,000	INAPA: \$ 2,250,000 CORAASAN: \$ 3,000,000 CORAAVEGA: \$ 850,000
<b>DLI #9:</b> Strengthened corporate governance	9.a (i). PEI and quarterly and cumulative quarterly Budget Execution Reports (i.e. 4 in total) for the corresponding Fiscal Year published in the WSS Service Providers' website after the end of each quarter; and (ii). Specifications for system requirements	9.b. (i). PEI and quarterly and cumulative quarterly Budget Execution Reports (i.e. 4 in total) for the corresponding Fiscal Year published in the WSS Service Providers' website after the end of each quarter; and (ii). Billing and collection systems are digitized, and innovative payment mechanisms are tried, tested and approved by the respective WSS Service Provider's management; and	9.c. (i) PEI and quarterly and cumulative quarterly Budget Execution Reports (i.e. 4 in total) for the corresponding Fiscal Year published in the WSS Service Providers' website after the end of each quarter; and (ii) Digitized billing and collection systems and innovative consumer payment mechanisms are implemented by the respective WSS Service Providers; and (iii) The FY 2024 annual financial statements of the respective WSS Service Provider are audited and published in the WSS Service Provider's website within 6 months after the end of the Fiscal Year, based on the financial reporting	9.d. (i) PEI and quarterly and cumulative quarterly Budget Execution Reports (i.e. 4 in total) for the corresponding Fiscal Year published in the WSS Service Providers' website after the end of each quarter; and (ii) Digitized billing and collection systems and innovative consumer payment mechanisms are implemented and maintained by the respective WSS Service Providers; and (iii) The FY 2025 annual financial statements of the respective WSS Service Provider are audited and published in the WSS Service Provider's website within 5	9.e. (i) PEI and quarterly and cumulative quarterly Budget Execution Reports (i.e. 4 in total) for the corresponding Fiscal Year published in the WSS Service Providers' website after the end of each quarter; and (ii) Digitized billing and collection systems and innovative consumer payment mechanisms are implemented and maintained by the respective WSS Service Providers; and (iii) The FY 2026 annual financial statements of the respective WSS Service Provider are audited and published in the WSS Service Provider's website within 4 months after the end of the Fiscal

DISBURSEMENT-LINKED RESULTS					
DISBURSEMENT LINKED INDICATORS	RESULTS TO BE ACHIEVED IN YEAR 1	RESULTS TO BE ACHIEVED IN YEAR 2	RESULTS TO BE ACHIEVED IN YEAR 3	RESULTS TO BE ACHIEVED IN YEAR 4	RESULTS TO BE ACHIEVED IN YEAR 5
	<p>and business processes for digitizing and billing collection systems completed and approved by the respective WSS Service Provider's management, and innovative consumer payment mechanisms identified and approved by WSS Service Provider's management; and</p> <p>(iii). The FY 2022 annual financial statements of the respective WSS Service Provider are audited and published in the WSS Service Provider's website within 12 months after</p>	<p>(iii). The FY 2023 annual financial statements of the respective WSS Service Provider are audited and published in the WSS Service Provider's website within 7 months after the end of the Fiscal Year, based on the financial reporting guidance approved by the DIGECO; and</p> <p>(iv). 65% of the actions scheduled in the Gender Action Plan for the year are implemented by the respective WSS Service Provider. (Non-Scalable DLR)</p>	<p>guidance standards approved by the DIGECO; and</p> <p>(iv) 70% of the actions scheduled in the Gender Action Plan for the year are implemented by the respective WSS Service Provider. (Non-Scalable DLR)</p>	<p>months after the end of the Fiscal Year, based on the financial reporting guidance approved by DIGECO; and</p> <p>(iv) 75% of the actions scheduled in the Gender Action Plan for the year are implemented by the respective WSS Service Provider. (Non-Scalable DLR)</p>	<p>Year, based on the financial reporting guidance standards approved by DIGECO; and</p> <p>(iv) 80% of the actions scheduled in the Gender Action Plan for the year are implemented by the respective WSS Service Provider. (Non-Scalable DLR)</p>





DISBURSEMENT-LINKED RESULTS					
DISBURSEMENT LINKED INDICATORS	RESULTS TO BE ACHIEVED IN YEAR 1	RESULTS TO BE ACHIEVED IN YEAR 2	RESULTS TO BE ACHIEVED IN YEAR 3	RESULTS TO BE ACHIEVED IN YEAR 4	RESULTS TO BE ACHIEVED IN YEAR 5
<p><i>Allocated Amounts to be disbursed per DLRs achieved by each WSS Service Provider</i></p>					

DISBURSEMENT-LINKED RESULTS					
DISBURSEMENT LINKED INDICATORS	RESULTS TO BE ACHIEVED IN YEAR 1	RESULTS TO BE ACHIEVED IN YEAR 2	RESULTS TO BE ACHIEVED IN YEAR 3	RESULTS TO BE ACHIEVED IN YEAR 4	RESULTS TO BE ACHIEVED IN YEAR 5
<b>DLI #10:</b> Strengthened WSS performance monitoring Baseline: INAPA: 0.22 CORAASAN: 0.48 CORAAVEG A: 0.33	10.b. Index that measures the progression in quantity and quality of operational, commercial, and financial data using good international practices with a score: INAPA: 0.38 CORAASAN: 0.61 CORAVEGA: 0.53 (Non-Scalable DLR)	10.c. Index that measures the progression in quantity and quality of operational, commercial, and financial data using good international practices with a score: INAPA: 0.78 CORAASAN: 0.76 CORAVEGA: 0.73 (Non-Scalable DLR)	10.d. Index that measures the progression in quantity and quality of operational, commercial, and financial data using good international practices with a score: INAPA: 0.87 CORAASAN: 0.88 CORAVEGA: 0.86 (Non-Scalable DLR)	10.e. Index that measures the progression in quantity and quality of operational, commercial, and financial data using good international practices with a score: INAPA: 0.99 CORAASAN: 0.99 CORAVEGA: 0.99 (Non-Scalable DLR)	INAPA: \$ 2,820,000 CORAASAN: \$ 2,600,000 CORAAVEGA: \$ 1,200,000
<i>Allocated Amounts to be disbursed per DLRs achieved by each WSS Service Provider</i>	INAPA: \$ 2,550,000 CORAASAN: \$ 2,400,000 CORAAVEGA: \$ 1,000,000	INAPA: \$ 2,600,000 CORAASAN: \$ 2,450,000 CORAAVEGA: \$ 1,050,000	INAPA: \$ 2,700,000 CORAASAN: \$ 2,500,000 CORAAVEGA: \$ 1,130,000	INAPA: \$ 2,820,000 CORAASAN: \$ 2,600,000 CORAAVEGA: \$ 1,200,000	



## SCHEDULE 4

### Commitment-Linked Amortization Repayment Schedule

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”).

#### Level Principal Repayments

Principal Payment Date	Installment Share
On each May 15 and November 15 Beginning May 15, 2028 through May 15, 2057	1.67 %
On November 15, 2057	1.47 %



## APPENDIX

### Definitions

1. “Additional Safely Managed Sanitation Connection” means cumulative additional Households with safely managed sanitation connections for any given Fiscal Year minus cumulative additional Households with safely managed sanitation connections for the previous Fiscal Year.
2. “Additional Safely Managed Water Connections” means cumulative additional Households with safely managed water supply service for any given Fiscal Year minus cumulative additional Households with safely managed water supply service for the previous Fiscal Year.
3. “Allocated Amounts” means the amounts in Dollars allocated to DLRs in the table in Section IV.A.1 of Schedule 2 to this Agreement (including suballocations per WSS Service Provider in the table in Schedule 3 to this Agreement), as such amount might be increased, reallocated and/or cancelled (whether partially or in its entirety) by the Bank, from time to time, as the case may be, in accordance with the provisions of Section IV.B.3 of Schedule 2 to this Agreement.
4. “Anti-corruption Guidelines” means, (a) for purposes of paragraph 6 of the Appendix to the General Conditions for the Program, the Bank’s “Guidelines on Preventing and Combating Fraud and Corruption in Program-for-Results Financing,” dated February 1, 2012, and revised July 10, 2015; and (b) for purposes of paragraph 6 of the Appendix to the General Conditions for the Project, the Bank’s 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 and as of July 1, 2016.
5. “Budget Execution Report” means a WSS Service Provider’s financial report on the respective WSS Service Provider’s revenue and expenditure budget and the corresponding actual outturns, along with variances between said budget and actuals, during a defined Fiscal Year.
6. “Capital Investment Program” means a WSS Service Provider program of projects and activities of a capital nature with their attributable financing values.
7. “Category” means a category set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement.
8. “CORASAN” means *Corporación de Acueductos y Alcantarillados de Santiago*, Santiago Water and Sewerage Corporation, created pursuant to Law No. 582, dated xx 1977 as modified by Law No. 328-98, dated xx, or any successor thereto acceptable to the Bank. CORASAN is a Program Implementing Entity (as defined in the General Conditions for the Program).
9. “CORAAVEGA” means *Corporación de Acueductos y Alcantarillados de La Vega*, La Vega Water and Sewerage Corporation, created pursuant to Law No. 512-05, dated xx 2005.



December 22, 2005, or any successor thereto acceptable to the Bank. CORAAVEGA is a Program Implementing Entity (as defined in the General Conditions for the Program).

10. "DIGECO" means *Dirección General de Contabilidad Gubernamental*, the General Directorate of Governmental Accounting under the Borrower's Ministry of Finance.
11. "DIGEPRES" means *Dirección General de Presupuesto*, the General Budget Directorate under the Borrower's Ministry of Finance.
12. "Digitalization of Network and Users Plan" means a plan that details actions to be taken by a WSS Service Provider to digitize its respective User Cadaster and Network Cadaster in electronic format.
13. "Disbursement Linked Indicator" or "DLI" means in respect of a given Category, the indicator related to said Category as set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement.
14. "Disbursement Linked Result" or "DLR" means each of the disbursement linked targets/results set forth in Schedule 3 to this Agreement in the columns entitled "Results to be Achieved in Year 1", "Results to be Achieved in Year 2", "Results to be Achieved in Year 3", "Results to be Achieved in Year 4", or "Results to be Achieved in Year 5", as applicable, on the basis of the achievement of which, the amount of the Loan allocated to said result (i.e. the Allocated Amount) may be withdrawn in accordance with the provisions of Section IV of Schedule 2 to this Agreement and Schedule 3 to this Agreement.
15. "Eligible Expenditure" means the definition of Eligible Expenditure contained in the Appendix to the Project General Conditions.
16. "Environmental and Social Commitment Plan" or "ESCP" means the environmental and social commitment plan for the Project, dated February 7, 2023, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Borrower shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
17. "Fiscal Year" or "FY" means the Borrower's fiscal year, which runs from January 1 to December 31.
18. "General Conditions" means the General Conditions for the Program and/or the General Conditions for the Project, as applicable. In such cases, capitalized definitions are the same in both sets of General Conditions. In cases where the capitalized definitions differ, the term will be defined in this Appendix.

"General Conditions for the Program" means the "International Bank for Reconstruction and Development General Conditions for IBRD Financing, Program-for-Results Financing", dated December 14, 2018 (revised on August 1, 2020, December 21, 2020, April 1, 2021, and January 1, 2022).



20. “General Conditions for the Project” means the “International Bank for Reconstruction and Development General Conditions for IBRD Financing, Investment Project Financing”, dated December 14, 2018 (revised on August 1, 2020, December 21, 2020, April 1, 2021, and January 1, 2022).
21. “Gender Action Plan” means a document that details a series of actions satisfactory to the Bank that promote gender equality within each WSS Service Provider.
22. “Households” means residential customers of water and sanitation services in the Selected Water Stressed Areas.
23. “INAPA” means *Instituto Nacional de Aguas Potables y Alcantarillados*, the National Institute for Water Supply and Sewerage, created pursuant to the Borrower’s Law No. 5,994 dated December 12, 1962, or any successor thereto acceptable to the Bank. INAPA is a Program Implementing Entity (as defined in the General Conditions for the Program).
24. “INDRHI” means *Instituto Nacional de Recursos Hidráulicos*, the National Water Institute, created pursuant to the Borrower’s Law No. 6, dated September 1965, or any successor thereto acceptable to the Bank. INDRHI is a Project Implementing Entity (as defined in the General Conditions for the Project) for INDRHI’s Respective Part of the Project.
25. “INDRHI’s Respective Part of the Project” means activities 3(b) through 3(f) of the Project.
26. “Inter-institutional-Subsidiary Agreement” means the tripartite agreement between the Borrower (through the Ministry of Finance and MEPyD) and INDRHI referred to under Section I.B.2 (a) of Schedule 2 to this Agreement, which is referred to as “Subsidiary Agreement” in the General Conditions.
27. “MEPyD” means *Ministerio de Economía, Planificación y Desarrollo*, the Borrower’s Ministry of Economy, Planning and Development, or any successor thereto acceptable to the Bank.
28. “MEPyD’s Respective Part of the Project” means activities 1, 2 and 3.(a) of the Project.
29. “Ministry of Finance” means *Ministerio de Hacienda*, the Borrower’s Ministry of Finance or any other successor thereto acceptable to the Bank.
30. “MPA Program” means the multiphase programmatic approach program designed to increase access to efficient and safely managed water and sanitation services in targeted areas.
31. “Network Cadaster” means a registry and mapping of water and sanitation piping locations, piping size, connection locations, and other key elements of the water and sanitation systems.
32. “Non-Scalable DLR” means the DLRs that cannot be achieved partially, and which require full attainment by a WSS Service Provider to trigger a disbursement of the corresponding Allocated Amounts to the corresponding WSS Service Provider in accordance with the table in Schedule 3 to this Agreement.

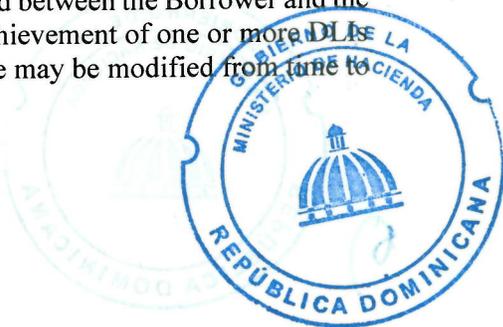


33. “NRW” means non-revenue water.
34. “Operating Costs” means the reasonable incremental operational costs related to technical and administrative management, preparation, monitoring and supervision required under the Project, including, *inter alia*, office supplies, travel costs (including accommodations, transportation costs, and *per diem*), printing services, communications, costs, utilities, maintenance of office equipment and facilities and vehicle operation and maintenance costs.
35. “Operation” means collectively, the Program and the Project.
36. “PCIU” means the unit established within INDRHI and referred to under Section I.A.4 of Schedule 2 to the Loan Agreement.
37. “PCMU” means the unit established within MEPyD and referred to under Section I.A.2 of Schedule 2 to the Loan Agreement.
38. “PEI” means institutional strategic plan prepared pursuant to Article 22 of the Borrower’s Law No. 498-06, dated December 28, 2006.
39. “Performance Agreement” means an agreement between a WSS Service Provider, MEPyD and DIGEPRES with the purpose of defining, *inter alia*, responsibilities of the respective WSS Service Provider and service delivery performance targets.
40. “POA” means annual operating plan.
41. “Priority Hydraulic Systems and Sectors” means systems and sectors identified in each WSS Service Provider’s NRW strategy for intervention and NRW reduction.
42. “Procurement Regulations” means, for purposes of paragraph 84 of the Appendix to the General Conditions for the Project, the “World Bank Procurement Regulations for Borrowers under Investment Project Financing”, dated November 2020.
43. “Program” means the program-for-results financing described in Part 1 of Schedule 1 to this Agreement.
44. “Program Action Plan” means the Borrower’s plan referred to in Section E of Schedule 2 to this Agreement, agreed between the Borrower and the Bank, which details the gaps identified during the Borrower’s system assessment, including, among others, financial management, procurement, and environmental and social matters, attached to the Operations Manual, as said plan may be amended from time to time with the prior and written agreement of the Bank.
45. “Project” means the investment project financing described in Part 2 of Schedule 1 to this Agreement.
46. “Safely Managed Sanitation” means the use of an improved sanitation facility that is not shared with other households and where the excreta is safely disposed in situ or transported to a treatment plant where it is treated in accordance with national standards.



47. “Safely Managed Water Supply” means the use of an improved drinking water source that is located on premises, available when needed, and free of fecal and priority chemical contamination.
48. “Scalable DLR” means a DLR that can be achieved partially, and which do not require full attainment to trigger a disbursement, as specified in the table in Schedule 3 to this Agreement.
49. “Selected Facilities” means components of water supply and sanitation systems that require energy consumption (e.g. *inter alia*, water treatment plants, wastewater treatment plants, pumping stations, wells)
50. “Selected Institutions” means MEPyD, INAPA, CORAASAN, and CORAAVEGA.
51. “Selected Water Stressed Areas” means the administrative geographic areas within the Borrower’s territory serviced by the WSS Service Providers that include the Provinces of Monte Cristi (except the Municipal District of Santa Maria), Valverde, Santiago Rodriguez, Santiago, and La Vega which are water stressed considering the sustainable development goal (SDG) 6.4.2 that determines freshwater withdrawals as a proportion of available freshwater resources and indicates that areas with withdrawals of 20 percent or more of available freshwater are considered water stressed.
52. “Signature Date” means the later of the two dates on which the Borrower and the Bank signed this Agreement and such definition applies to all references to “the date of the Loan Agreement” in the General Conditions.
53. “Subsidiary Agreements” means jointly any Subsidiary Agreement for the Program and the Inter-Institutional-Subsidiary Agreement.
54. “Subsidiary Agreement for the Program” means any agreement between the Borrower and a WSS Service Provider referred to under Section I.B.1(a) of Schedule 2 to this Agreement.
55. “Training” means expenditures (other than those for consulting services) incurred in connection with the carrying out of training, seminars, and workshops, including the reasonable travel costs (e.g. accommodations, transportation costs, and per diem) of trainees and trainers (if applicable), catering, rental of training facilities and equipment, logistics and printing services, as well as training materials under the Project.
56. “Users Cadaster” means a WSS Service Provider’s registry of clients for billing and collection purposes.
57. “Verification Agent” means any agency acceptable by the Bank which, for purposes of Section I.D of Schedule 2 to this Agreement, shall be responsible for conducting third-party verification for all DLIs/DLRs.
58. “Verification Protocol” means the verification protocol agreed between the Borrower and the Bank to verify the data and other evidence supporting the achievement of one or more DLIs and DLRs as specified in the Operations Manual, as the same may be modified from time to time with the prior written agreement of the Bank.

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59. “WRM” means water resources management.
60. “WSS” means water supply and sanitation.
61. “WSS Service Providers” means jointly INAPA, CORAASAN, and CORAAVEGA, and the term “WSS Service Provider” means any of these water and sanitation services providers. Each is a Program Implementing Entity (as defined in the General Conditions for the Program).
62. “WSS Service Provider’s Respective Part of the Program” means any activity under the Program carried out under the respective administrative jurisdiction of a WSS Service Provider within the Selected Water Stressed Areas (i.e. INAPA: the Provinces of Monte Cristi (except the Municipal District of Santa Maria), Valverde, and Santiago Rodriguez; CORAASAN: the Province of Santiago; and CORAAVEGA: the province of La Vega).
63. “Year 1” means the first year of implementation of Program activities, which shall take place in the Borrower’s Fiscal Year 2023 to achieve the results shown in the second column of the table in Schedule 3 to this Agreement.
64. “Year 2” means the second year of implementation of Program activities, which shall take place in the Borrower’s Fiscal Year 2024 to achieve the results shown in the third column of the table in Schedule 3 to this Agreement.
65. “Year 3” means the third year of implementation of Program activities, which shall take place in the Borrower’s Fiscal Year 2025 to achieve the results shown in the fourth column of the table in Schedule 3 to this Agreement.
66. “Year 4” means the fourth year of implementation of Program activities, which shall take place in the Borrower’s Fiscal Year 2026 to achieve the results shown in the fifth column of the table in Schedule 3 to this Agreement.
67. “Year 5” means the fifth year of implementation of Program activities, which shall take place in the Borrower’s Fiscal Year 2027 to achieve the results shown in the sixth column of the table in Schedule 3 to this Agreement.

