

Date: 21-Apr-2020

H.E. Ms. Ingrid Olga Ghislaine Ebouka-Babackas  
Minister of Planning, Statistics and Regional Integration  
Ministry of Planning, Statistics and Regional Integration  
Tower NABEMBA Downtown  
Avenue Amilcar Cabral  
Brazzaville  
Republic of Congo

Re: Republic of Congo  
Urban Development and Poor Neighborhood Upgrading Project  
Loan No. 8588-CG

**Amendment No. 2 to the Loan Agreement**

Excellency:

We refer to the Loan Agreement (the “Loan Agreement”) between the Republic of Congo (the “Borrower”) and the International Bank for Reconstruction and Development (the “Bank”) dated December 7, 2016, as amended, for the abovementioned Project. Please note that capitalized terms used in this amendment letter (“Amendment Letter”) and not defined herein have the meanings ascribed to them in the Loan Agreement.

Pursuant to your letter dated December 20, 2019, requesting the Bank for specific amendments to the Project, we are pleased to inform you that the Bank hereby agrees to amend the Loan Agreement with respect to the provisions below:

1. The description of activities of the Project in Schedule 1 of the Loan Agreement is hereby deleted in its entirety and replaced with the information as set forth in Annex 1 to this Amendment Letter.
2. Section I.D.7 of Schedule 2 to the Loan Agreement is hereby amended to read as follows:  

“7. The Borrower shall pay the full cost of any compensation in cash or in kind to Project affected persons, pursuant to the Resettlement Policy Framework.”
3. Section I.E.1 of Schedule 2 to the Loan Agreement is hereby amended to read as follows:  

**“E. Annual Work Plans and Training**

  1. The Borrower shall, through the PCU, prepare under terms of reference acceptable to the Bank, and furnish to the Bank, not later than June 30 of each year during the period of Project implementation, for the Bank’s review and approval, an Annual Work Plan of activities (including proposed and training and workshop programs)

proposed for inclusion in the Project during the following calendar year, together with a budget and financing plan for such activities and a timetable for their implementation.”

4. Section I.F of Schedule 2 to the Loan Agreement pertaining to “**Project Counterpart Funds**” is hereby deleted in its entirety.
5. A new Section I.F is added under Schedule 2 to the Loan Agreement to read as follows:

**“F. Immediate Response Mechanism**

1. In order to ensure the proper implementation of Part D of the Project (“Contingent Emergency Response”) (“CERC Part”), the Borrower shall take the following measures:
  - (a) prepare and furnish to the Bank for its review and approval, an operations manual, which shall set forth detailed implementation arrangements for the CERC Part, including: (i) designation of, terms of reference for and resources to be allocated to, the entity to be responsible for coordinating and implementing the CERC Part (“Coordinating Authority”); (ii) specific activities which may be included in the CERC Part, Eligible Expenditures required therefor (“Emergency Expenditures”), and any procedures for such inclusion; (iii) financial management arrangements for the CERC Part; (iv) procurement methods and procedures for Emergency Expenditures to be financed under the CERC Part; (v) documentation required for withdrawals of Emergency Expenditures; (vi) environmental and social safeguard management frameworks for the CERC Part, consistent with the Bank’s policies on the matter; and (vii) any other arrangements necessary to ensure proper coordination and implementation of the CERC Part;
  - (b) afford the Bank a reasonable opportunity to review said proposed operations manual;
  - (c) promptly adopt such operations manual for the CERC Part as shall have been approved by the Bank (“CERC Operations Manual”);
  - (d) ensure that the CERC Part is carried out in accordance with the CERC Operations Manual; provided, however, that in the event of any inconsistency between the provisions of the CERC Operations Manual and this Agreement, the provisions of this Agreement shall prevail; and
  - (e) not amend, suspend, abrogate, repeal or waive any provision of the CERC Operations Manual without prior approval by the Bank.
2. The Borrower shall, throughout the implementation of the CERC Part, maintain the Coordinating Authority, with adequate staff and resources satisfactory to the Bank.

3. The Borrower shall undertake no activities under the CERC Part (and no activities shall be included in the CERC Part) unless and until the following conditions have been met in respect of said activities:
  - (a) The Borrower has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Bank a request to include said activities in the CERC Part in order to respond to said Eligible Crisis or Emergency, and the Bank has agreed with such determination, accepted said request and notified the Borrower thereof; and
  - (b) The Borrower has prepared and disclosed all safeguards instruments required for said activities, in accordance with the CERC Operations Manual, the Bank has approved all such instruments, and the Borrower has implemented any actions which are required to be taken under said instruments.”
6. The Eligible Expenditures table as set forth in Section IV.A.2 of Schedule 2 to the Loan Agreement is hereby amended and replaced with the table set forth in Annex 2 of this Amendment Letter.
7. Section IV.B.1 of Schedule 2 is hereby amended to read as follows:

**“B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
  - (a) for payments made prior to the date of this Agreement; or
  - (b) for payments made under Category (3), until and unless the Bank is satisfied that all the following conditions have been met in respect of said activities:
    - (i) the Borrower has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Bank a request to include said activities in the CERC Part in order to respond to said Eligible Crisis or Emergency, and the Bank has agreed with such determination, accepted said request and notified the Borrower thereof;
    - (ii) the Borrower has prepared and disclosed all safeguards instruments required for said activities, and the Borrower has implemented any actions which are required to be taken under said instruments, all in accordance with the provisions of Section I.F of Schedule 2 to this Agreement;
    - (iii) the Borrower’s Coordinating Authority has adequate staff and resources, in accordance with the provisions of Section I.F of this Schedule 2 to this Agreement, for the purposes of said activities; and

- (iv) the Borrower has adopted a CERC Operations Manual in form, substance and manner acceptable to the Bank and the provisions of the CERC Operations Manual remain, or have been updated in accordance with the provisions of Section I.F of this Schedule 2 so as to be appropriate for the inclusion and implementation of said activities under the CERC Part.”

- 8. The following definitions are added and placed in alphabetical order in the Definition Section of the Appendix to read as follows and the rest of the definitions are renumbered accordingly to maintain alphabetical order:

“Contingent Emergency Response Operations Manual” and “CERC Operations Manual”, each means the operations manual referred to in Section I.F.1(c) of Schedule 2 to this Agreement, to be adopted by the Borrower for the CERC Part of the Project in accordance with the provisions of said Section.

“CERC Part of the Project” and “CERC Part”, each means Part D of the Project.

“Coordinating Authority” means the entity or entities designated by the Borrower in the CERC Operations Manual and approved by the Bank pursuant to Section I.F.1(a) of Schedule 2 to this Agreement, to be responsible for coordinating the CERC Part of the Project.

“Emergency Expenditures” means the eligible expenditures required to finance the cost of the approved list of goods, works, and services necessary to support emergency mitigation, response and recovery under Part D of the Project and set forth in the Emergency Response Operations Manual.

- 9. The definition pertaining to (“**Project Implementation Manual**”) in the Appendix to the Loan Agreement is hereby amended to read as follows:

“Project Implementation Manual” or “PIM” means the manual to be prepared by the Borrower containing detailed arrangements and procedures for the Project, including, *inter alia*: (a) policies, administrative, and procurement procedures as well as guidelines to be followed in the implementation and monitoring of the Project; (b) the modalities for screening and approval of investments under Part A of the Project; (c) the criteria related to staffing and budgeting and implementation of asset management to be fulfilled by the municipalities as a condition of transfer of implementation responsibility; (d) indicators on the performance of the PCU; (e) the modalities for monitoring and evaluating the results of the Project; (f) the procedures for community participation to operation and maintenance of investments funded under the Project; and (g) the format and content of quarterly progress reports; as the same may be amended and/or supplemented from time to time; and such term includes any schedule to the PIM.”

- 10. The definition pertaining to (“**Project Counterpart Funds Account**”) in the Appendix to the Loan Agreement is hereby deleted in its entirety and the rest of the definitions are renumbered accordingly in alphabetical order.

Except as herein expressly amended, all other provisions of the Loan Agreement shall remain in full force and effect.

Please confirm your agreement with the foregoing amendments to the Loan Agreement by countersigning and dating both copies of this Amendment Letter and returning one fully signed original of this letter to us. Upon receipt by the Bank of the countersigned copy, this Amendment shall become effective as of the date of this letter.

Sincerely,

**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT**

By: Jean-Christophe Carret

Jean-Christophe Carret  
Country Director for the Republic of Congo  
Africa Region

AGREED:

REPUBLIC OF CONGO

By: [Signature]  
Authorized Representative



Name: Lubovic NGAISE

Title: Ministre Délégué auprès du Ministre des Finances et du Budget  
chargé du Budget

Date: 24 AVR 2020

## SCHEDULE 1

### Project Description

The objectives of the Project are to: (a) improve access to infrastructure and basic services for people living in selected unplanned settlements in Brazzaville and Pointe Noire; and (b) strengthen government and municipal capacity for urban upgrading.

The Project consists of the following parts:

#### **Part A: Integration and Neighborhood Upgrading**

##### **1. Connectivity and Network Investment Program**

Carrying out a program of investments in infrastructure, including, *inter alia*: (a) upgrading of about 18 km of road works; and (b) upgrading of about 10,000 square meters of anti-erosion works in Brazzaville.

#### **Part B: Development of Institutions and Capacity**

##### **1. Community Facilitation**

Provision of technical advisory services, equipment, training and logistical support, including, *inter alia*: (a) hiring of community facilitators to assist the targeted neighborhoods' residents' participation in upgrading design, data collection, needs identification, investment planning, implementation and operation and maintenance of Project activities; (b) training for neighborhood representatives and city focal points; (c) carrying out of community facilitation activities; and (d) training and assistance to develop new income-generating activities for persons affected by the Project.

##### **2. Neighborhood Upgrading Plans**

Provision of technical advisory services for: (a) the establishment of site conditions; (b) the elaboration of feasibility studies and neighborhood upgrading plans; and (c) the elaboration of engineering designs.

##### **3. Urban Sector Organization and Regulation**

Improving the overall sector regulations, *inter alia*, through: (a) carrying out of institutional diagnostic of the urban sector to reorganize and determine the role and responsibilities of each actor; (b) the preparation of decrees to operationalize urban and housing legislation; (c) development of a neighborhood upgrading strategy; and (d) capacity building of the MCUDH, including organizational and functional reorganization, training and equipment, and a communication strategy on urban planning tools.

##### **4. City-level Institution Building**

Strengthening the institutional role and the capacity of city administrations and elected officials, through, *inter alia*, the provision of: (a) support to implement a system for the

management of the municipalities' key assets and investments; (b) technical assistance to manage projects; (c) support to Brazzaville and Pointe Noire municipalities to improve management of, and increase revenues from, commercial infrastructure; (d) support to update the municipal tax database and revenue collection; (e) support the addressing of streets and numbering of houses in Brazzaville and Pointe Noire and related training and equipment to the city administrations; (f) support to city administrations for the establishment of procurement units; (g) support for the implementation of Simba financial management software to municipal departments and districts; (h) support to enhance the capacity of Brazzaville and Pointe Noire municipal administrations to work with communities to implement neighborhood upgrading programs; (i) training and technical assistance for municipal staff and elected officials in, *inter alia*, community involvement, urban planning, investment programming, and additional approved demand-driven capacity building; and (j) study trips.

**Part C: Project Management, Coordination and Evaluation**

Provision of advisory services, logistical assistance and incremental operating costs to the PCU for the supervision of the Project activities, including environmental and social safeguards monitoring and evaluation, financial and technical audits, updating of monitoring and evaluation systems, preparation of communication plan, and carrying out of baseline and impact assessments and workshops.

**Part D: Contingency Emergency Response Component**

Providing immediate response to an Eligible Crisis or Emergency, as needed.

**Expenditures Table for Loan Number No. 8588-CG**

<b>Category</b>	<b>Proposed Amount of the Loan Allocated (expressed in USD)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Goods, works, non-consulting services, consultants' services, Training and Operating Costs for the Project	79,800,000	100% from January 1, 2020 through Project closing
(2) Front-end Fee	200,000	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07(b) of the General Conditions
(3) Contingent Emergency Response Component (CERC)	0	100%
<b>TOTAL AMOUNT</b>	80,000,000	