
CREDIT A NUMBER 7373-SN (PBA-SML)
CREDIT B NUMBER 7372-SN (PBA-regular)
CREDIT NUMBER 6889-SN (amendment)

Financing Agreement

**(Additional Financing for the Stormwater Management and
Climate Change Adaptation Project 2)**

and

Amendment to the Original Financing Agreement

between

REPUBLIC OF SENEGAL

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

CREDIT A NUMBER 7373-SN (PBA-SML)
CREDIT B NUMBER 7372-SN (PBA-regular)
CREDIT NUMBER 6889-SN (amendment)

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between REPUBLIC OF SENEGAL (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) for the purpose of assisting in financing a scale up of the activities included in the Original Project. The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) 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 — FINANCING

- 2.01. (a) The Association agrees to extend to the Recipient a credit, which is deemed as Concessional Financing for purposes of the General Conditions, in the amount of one hundred and twenty-three millions (€123,000,000) (variously, “Credit” and “Financing”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
 - (b) The Credit includes:
 - (i) Credit (A) in the amount of fifty million and one hundred thousand Euros (€50,100,000); and
 - (ii) Credit (B) in the amount of seventy-two million and nine hundred thousand Euros (€72,900,000).
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section III of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.
- 2.04. The Service Charge applicable to Credit B only is the greater of: (a) the sum of three-fourths of one percent (3/4 of 1%) per annum plus the Basis Adjustment to

the Service Charge; and (b) three-fourths of one percent (3/4 of 1%) per annum; on the Withdrawn Credit Balance of Credit B.

- 2.05. The Interest Charge applicable to Credit B only is the greater of: (a) the sum of one and a quarter percent (1.25%) per annum plus the Basis Adjustment to the Interest Charge; and (b) zero percent (0%) per annum; on the Withdrawn Credit Balance of Credit B.
- 2.06. The Payment Dates are February 15 and August 15 in each year.
- 2.07. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall cause the Project to be carried out by the Project Implementing Entity in accordance with the provisions of Article V of the General Conditions, Schedule 2 to this Agreement and the Project Agreement.

ARTICLE VI — EFFECTIVENESS; TERMINATION

- 4.01. The Additional Condition of Effectiveness consists of the following, namely, that the Subsidiary Agreement has been executed and delivered in accordance with Section I.B of Schedule 2 to this Agreement.
- 4.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.
- 4.03. For purposes of Section 10.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Recipient's Representative is its minister responsible for finance.

5.02. For purposes of Section 11.01 of the General Conditions:

(a) the Recipient's address is:

Ministère des Finances et du Budget
Rue René Ndiaye x Avenue Carde
BP 4017
Dakar
Republic of Senegal; and

(b) the Recipient's Electronic Address is:

Telecopy:	E-mail:
+ 221-33822-4195	sfall@minfinances.sn

5.03. For purposes of Section 11.01 of the General Conditions:

(a) the Association's address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and

(b) the Association's Electronic Address is:

Telex:	Facsimile:	E-mail:
248423 (MCI)	1-202-477-6391	worldbank-senegal@worldbank.org

AGREED as of the Signature Date.

REPUBLIC OF SENEGAL

By

Mamadou Moustapha BA

Authorized Representative

Name: Mamadou Moustapha BA

Title: Minister of Finance and Budget

Date: 28-Nov-2023

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Fatou Fall Samba

Authorized Representative

Name: Fatou Fall Samba

Title: Acting Country Director

Date: 09-Aug-2023

SCHEDULE 1

Project Description

The objectives of the Project are to reduce flood risks in peri-urban areas of Dakar and improve capacity for integrated urban flood risk planning and management for selected cities in Senegal.

The Project consists of the following parts:

Part 1: Integrated urban planning and management accounting for climate risk and sustainability

1.1: Integrated urban planning and management

Improve the management and planning of urban space through: (a) design and implementation of spatial planning tools on climate change adaptation, resilience and sustainability; (b) development of detailed urban plans, drainage master plans and integrated flood risk management plans for selected areas in the Recipient's territory; and (c) provision of related technical assistance for their implementation, training of stakeholders (including local authorities, private and public actors and officials) as well as equipment and software.

1.2: Urban legislation and regulatory framework reform

Support the Recipient's national and local authorities to: (a) improve the institutional and legal framework for urban and peri-urban resilience and sustainability; (b) conduct related policy studies, dissemination activities and training; and (c) develop an urban policy at national, regional and local levels addressing climate change and floods.

1.3: Promotion of good practices for integrated urban management including resilience and sustainability

Enhance the Recipient's capacity at the central and local levels to design and implement innovative and integrated approaches and investments in urban projects in terms of sustainability, climate change adaptation and resilience, through: (a) the design of activities including integrated urban planning, urban legislation and urban legislation and regulation reform, drainage infrastructure and related capacity-building; (b) the assessment of specific flood risk, the carrying out of waste management, rainfall harvesting and wetland management strategic planning studies and the development of tools, including an integrated early warning system; (c) the development of activities for disaster preparedness and response, community participation, information-sharing and flood contingency

planning; (d) the implementation of a pilot landscaping and related studies in selected areas in the Recipient's territory; and (e) strengthening of the Recipient's capacity, knowledge and knowledge management of urban and flood risk management stakeholders, including through a related strategy, relevant studies, the preparation of a report on the experience and lessons learned through the activities implemented under this Part 1.3, as well as dissemination, outreach activities, and training.

Part 2: Drainage investment and management, community engagement, environmental and social management

2.1: Temporary emergency pumping and drainage infrastructure construction and management

2.1.1 In the Mbao and Mbeubeuss watersheds:

Support the Recipient to finance drainage systems and infrastructure, namely: (a) temporary emergency pumping systems for the rainy season in selected areas; (b) emergency drainage works in Mbao watershed and selected peri-urban areas, including: (i) design and construction of primary and secondary collectors, rainwater harvesting basins, road and drainage networks, reshaping of Mbao backwater and design and construction of the drainage network outlet to the sea; and (ii) conduct of related studies, including mapping, and technical assistance; (c) emergency drainage works in Mbeubeuss watershed and selected peri-urban areas, including: (i) design and construction of primary and secondary collectors, rainwater harvesting basins, road and drainage networks, reshaping of backwater and design and construction of the drainage network outlet to the sea; and (ii) conduct of related studies, including mapping, and technical assistance; and (d) works in Mbeubeuss and Mbao watersheds and selected urban areas, including: (i) design and construction of primary and secondary stormwater collectors, retention basins and related road networks; (ii) carrying out of landscaping, drainage and infrastructure works in Mbao forest; (iii) carrying out of studies on wastewater networks in selected areas of the Mbeubeuss and Mbao watersheds; and (iv) updating of drainage master plan for selected urban areas and carrying out of technical studies for selected urban areas.

2.1.2. In the Lac Rose watershed

Support the Recipient to finance drainage systems and infrastructure, namely: (a) temporary emergency pumping systems for the rainy season in selected areas; (b) emergency drainage works in Lac Rose watershed and selected peri-urban areas, including: (i) design and construction of primary and secondary collectors, rainwater harvesting basins, road and drainage networks, and design and construction of the drainage network outlet to the sea; and (ii) conduct of related

studies, including mapping, and technical assistance; and (c) works in Lac Rose watersheds and selected urban areas, including: (i) design and construction of primary and secondary stormwater collectors, retention basins and related road networks; and (ii) carrying out of technical studies for selected urban areas.

2.2: Drainage infrastructure operation and maintenance

Support to ONAS to ensure sustainability of drainage infrastructure through financing of activities to: (a) operate and maintain drainage infrastructure, including cleaning up of existing infrastructure; and (b) enhance its capacity through inter alia: purchase of operation and maintenance equipment; knowledge transfer, related methodological tools and improved information systems; carrying out of governance studies and a roadmap for the financing and management of said infrastructure; updating of collaboration arrangements across stakeholders; and enhanced coordination of water and wastewater management, to serve as the basis for the Recipient's sanitation national program.

2.3: Community projects and engagement

Support the Recipient to: (a) develop community sub-projects around drainage works, including building of urban infrastructure, neighborhood sanitation activities, and outreach to mobilize and engage local stakeholders to ensure their active involvement in stormwater management, drainage network operation and maintenance, and flood prevention, through consultative and participatory community organizing; (b) elaboration of a community guide on wastewater; and (c) organize solid waste collection and carry out related educational activities.

2.4: Environmental and social management

Support the Recipient to manage and address environmental and social aspects of the Project, including: (a) preparation and implementation (other than the activities referred to in (b)) of environment and social instruments for the Project; and (b) land acquisition and payment of compensation for the implementation of the resettlement action plans for the Project.

Part 3: Contingent Emergency Response Component

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

Part 4: Project management

Project coordination and supervision; financial management and procurement; implementation of environmental and social instruments; communication and outreach; monitoring and evaluation of the Project; and training of staff and operation of the Project Implementation Unit.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. *Project Steering Committee*

(a) In order to ensure the proper oversight of the Project and coordination among the Recipient's ministries and agencies involved in the Project, the Recipient shall maintain throughout Project implementation, with composition, terms of reference and resources satisfactory to the Association, its committee ("Project Steering Committee") chaired by a representative of the Recipient's ministry responsible for water and sanitation, and comprised of minister's representatives of all key ministries, ONAS, prefects, and mayors of Targeted Municipalities, to be responsible for providing overall strategic oversight and policy coordination of the Project including, *inter alia*, endorsing the proposed Annual Work Plan and Budget for the Project.

(b) Without limitation to Section I.A.1(a) of this Schedule, the Recipient shall, no later than one (1) month after the Effective Date, provide the evidence that the terms of reference, composition and resources of the Project Steering Committee have been revised to take into account the additional activities included in the Project, unless the Recipient has established in a manner acceptable to the Association that no change needs to be made.

2. *Project Technical Committee*

(a) The Recipient shall maintain throughout Project implementation, with composition, terms of reference and resources satisfactory to the Association, its committee ("Project Technical Committee"), co-chaired by the DGUA and DA, to provide strategic and operational guidance on technical aspects of the Project and ensure efficient and effective decision making at the technical level.

(b) Without limitation to Section I.A.2(a) of this Schedule, the Recipient shall, no later than one (1) month after the Effective Date, provide the evidence that the terms of reference, composition and resources of the Project Technical Committee have been revised to take into account the additional activities included in the Project, unless the Recipient has established in a manner acceptable to the Association that no change needs to be made.

3. **Project Implementation Unit.** To ensure prompt and efficient implementation of the Project, the Recipient shall, throughout Project implementation, cause the Project Implementing Entity to: (a) be responsible for the overall coordination and implementation for the Project, including fiduciary and technical responsibility for the Project; (b) provide secretariat to both the PSC and the PTC; (c) maintain a team of staff and consultants as needed (collectively referred to as the “Project Implementation Unit”) at all times during Project implementation, with terms of reference, staff (in adequate number) and resources, all acceptable to the Association. Without limitation to the foregoing provision, the Project Implementation Unit shall include at minimum the following key staff and consultants, each with terms of reference, qualification and experience acceptable to the Association: a Project coordinator, a procurement specialist, a financial management specialist, an accountant, environmental and social safeguard specialists as specified in the ESCP, an hydraulic engineer, an urban development specialist, a monitoring and evaluation specialist, a civil engineer; a geographic information system and database management expert; and the team for social facilitation described in the Project Implementation Manual.
4. **Agreement with ONAS.** In order to facilitate the carrying out of the activities included under Part 2.2 of the Project, the Recipient shall cause the Project Implementing Entity to maintain the ONAS Memorandum of Understanding, with terms and conditions satisfactory to the Association. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the ONAS Memorandum of Understanding or any of its provisions.
5. **Municipality Agreements.** To facilitate the carrying out of Part 1 of the Project, the Recipient shall cause the Project Implementing Entity to maintain Municipality Agreements with Targeted Municipalities, in accordance with the provisions of the Original Financing Agreement.

B. Subsidiary Agreement

1. To facilitate the carrying out of the Project, the Recipient shall make the proceeds of the Financing available to the Project Implementing Entity under a subsidiary agreement between the Recipient and the Project Implementing Entity, under terms and conditions approved by the Association (“Subsidiary Agreement”).
2. Without limitation to Section I.B.1 of this Schedule, the Subsidiary Agreement shall include:
 - (a) the principal amount of the Credit made available under the Subsidiary Agreement and on-lending terms and conditions;
 - (b) the obligation to execute the Project in accordance with the provision of the Project Agreement; and

- (c) the full alignment of the Project Implementing Entity's rights (including its right to a disbursement - or not) and obligations (including its obligation to repay any amount under the Subsidiary Agreement) with the rights and obligations of the Recipient under this Agreement, even in case of full compliance by the Project Implementing Entity with the provisions of the Project Agreement.
- 3. The Recipient shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

C. Counterpart Funds

- 1. In addition to the counterpart funds referred to in the Original Financing Agreement and without limitation upon its obligations under Section 5.03 of the General Conditions, the Recipient shall:
 - (a) make an additional amount equivalent to at least to XOF 5.800.000.000 representing the Recipient's contribution to the financing of the Project ("Counterpart Funds") available to the Project Implementing Entity. Counterpart Funds will be paid by the Recipient by quarterly installments. The amount of each quarterly installment shall be equal to the estimated share of the Recipient's financing of the expenditures to be incurred for the implementation of the Project during the next quarter, and the time of payment of each such installment shall be no later than the last day of the quarter preceding the quarter during which said activities are scheduled to be implemented.
 - (i) For each Fiscal Year, the amount to be paid as Counterpart Funds shall be the amount estimated as of the Signature Date as stated in the table in Section I.C.1(a)(ii) below, unless a different amount is agreed between the Recipient and the Association and stated in the relevant Annual Work Plan and Budget.
 - (ii) The amounts of Counterpart Funds to be paid for each Fiscal Year in application of Section I.C.1(a)(i) of this Schedule is estimated as follows, as of the Signature Date:

Fiscal Year	Estimated Amount of Counterpart Funds for the Fiscal Year (in XOF)
2024	600,000,000
2025	1,700,000,000
2026	1,700,000,000
2027	1,700,000,000
2028	100,000,000

; and

- (b) ensure that Counterpart Funds shall be used only for their purpose as stated in the Annual Work Plan and Budget.

D. Environmental and Social Standards

1. The Recipient shall, and shall cause the Project Implementing Entity to, ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.
2. Without limitation upon paragraph 1 above, the Recipient shall, and shall cause the Project Implementing Entity to, ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Association. To this end, the Recipient shall, and shall cause the Project Implementing Entity 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 Association shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.

3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. The Recipient shall, and shall cause the Project Implementing Entity to, ensure that:
 - (a) all measures necessary are taken to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, 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 Association, 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 Association 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 Recipient shall, and shall cause the Project Implementing Entity to, establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate 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 Association.
6. The Recipient shall, and shall cause the Project Implementing Entity to, ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, subcontractors and supervising entities 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.

E. Annual Work Plan and Budget

1. The Recipient shall cause the Project Implementing Entity to:

- (a) prepare and furnish to the Recipient and the Association for its approval, not later than December 15 in each Fiscal Year during the implementation of the Project, the proposed annual work plan and budget (including activities for the following Fiscal Year, selected in a manner consistent with the phasing principle and timeline included in the Project Implementation Manual) pursuant to Section I.E. of the Schedule to the Project Agreement for the following Fiscal Year;
 - (b) afford the Association a reasonable opportunity to exchange views with the Recipient and the Project Implementing Entity on said proposed annual work plan and budget; and
 - (c) thereafter ensure that the Project is implemented with due diligence during said following Fiscal Year in accordance with such annual work plan and budget as shall have been approved by the Association (once approved by the Association, an “Annual Work Plan and Budget”).
2. The Recipient or the Project Implementing Entity shall not make or allow to be made any change to the Annual Work Plan and Budget without the prior approval in writing by the Association.

C. Project Implementation Manual.

1. (a) Not later than one (1) month after the Effective Date, or any later date agreed upon in writing with the Association, the Recipient shall cause the Project Implementing Entity to, update its manual for the Original Project (once updated the “Project Implementation Manual”) to take into account the activities under the Project which were not part of the Original Project, including a detailed description of the location of each activity as well as the phasing of their implementation and the obligation to complete all activities under the Original Project prior to July 31, 2026, and include the guidelines needed for the Recipient’s and the Project Implementing Entity’s obligations under this Agreement and the Project Agreement to be complied with, under terms of reference acceptable to the Association, and furnish to the Recipient and the Association, the Project Implementation Manual.
- (b) Without limitation to the generality of the immediately foregoing provision, the Project Implementation Manual shall contain detailed arrangements and procedures for: (i) institutional coordination and day-to-day execution of the Project; (ii) Project budgeting, disbursement and financial management; (iii) procurement; (iv) monitoring, evaluation, reporting and communication; (v) environmental and social aspects; and (vi) such other arrangements and procedures as shall be required for the Project.

(c) The Recipient shall cause the Project Implementing Entity to afford the Recipient and the Association a reasonable opportunity to exchange views with the Project Implementing Entity; and thereafter adopt such Project Implementation Manual as shall have been approved by the Association.

2. The Recipient shall cause the Project Implementing Entity to carry out the Project in accordance with the Project Implementation Manual (provided, however, that in case of any conflict between the Project Implementation Manual and the provisions of this Agreement or the Project Agreement, the provisions this Agreement or the Project Agreement shall prevail). Except as the Association shall otherwise agree in writing, the Recipient shall ensure that neither the Project Implementation Manual nor any of its provisions is amended, abrogated or waived without the prior no objection in writing from the Association.

D. Operation and Maintenance of Drainage Systems under Part 2 of the Project

The Recipient, through the Project Implementing Entity, shall ensure that, and, if and as needed, cause ONAS to ensure, that: (a) no later than six (6) months after the Effective Date or at a later date agreed upon with the Association, a roadmap for the urban sanitation reform, including financing and management mechanisms of urban drainage systems at the national level, has been adopted, in form and manner satisfactory to the Association; (b) throughout Project implementation, adequate and prompt maintenance of the drainage systems financed under the Project is provided, the extent of such maintenance to be discussed and agreed with the Association during Project implementation and reflected in the Project Implementation Manual; and (c) no later than six (6) months upon the completion of civil works on drainage systems under Part 2.1 of the Project and in any event before the Closing Date, responsibility over the operation and maintenance of said systems has been transferred to ONAS, with sustainable financing mechanisms established, in a manner acceptable to the Association, in order to preserve the productive purpose of the Credit.

E. Contingent Emergency Response

1. In order to ensure the implementation of contingent emergency response activities under Part 3 of the Project (“Contingent Emergency Response Part”), the Recipient shall ensure, and cause the Project Implementing Entity to ensure, that:

(a) a manual (“CERC Manual”) is prepared and adopted in form and substance acceptable to the Association, which shall set forth detailed implementation arrangements for the Contingent Emergency Response Part, including: (i) any structures or institutional arrangements for coordinating and implementing the Contingent Emergency Response Part; (ii) specific activities which may be included in the Contingent Emergency Response Part, Eligible Expenditures required therefor (“Emergency

- Expenditures”), and any procedures for such inclusion; (iii) financial management arrangements for the Contingent Emergency Response Part; (iv) procurement methods and procedures for the Contingent Emergency Response Part; (v) documentation required for withdrawals of Credit amounts to finance Emergency Expenditures; (vi) a description of the environmental and social assessment and management arrangements for the Contingent Emergency Response Part; and (vii) a template Emergency Action Plan;
- (b) the Emergency Action Plan is prepared and adopted in form and substance acceptable to the Association;
 - (c) the Contingent Emergency Response Part is carried out in accordance with the CERC Manual and the Emergency Action Plan; provided, however, that in the event of any inconsistency between the provisions of the CERC Manual or the Emergency Action Plan and this Agreement, the provisions of this Agreement shall prevail; and
 - (d) neither the CERC Manual or the Emergency Action Plan is amended, suspended, abrogated, repealed or waived without the prior written approval by the Association.
2. The Recipient shall ensure that the structures and arrangements referred to in the CERC Manual are maintained throughout the implementation of the Contingent Emergency Response Part, with adequate staff and resources satisfactory to Association.
3. The Recipient shall ensure that:
- a. the environmental and social instruments required for the Contingent Emergency Response Part are prepared, disclosed and adopted in accordance with the CERC Manual and the ESCP, and in form and substance acceptable to the Association; and
 - b. the Contingent Emergency Response Part is carried out in accordance with the environmental and social instruments in a manner acceptable to the Association.
4. Activities under the Contingency Emergency Response Part shall be undertaken only after an Eligible Crisis or Emergency has occurred.

Section II. Project Monitoring, Reporting and Evaluation

The Recipient shall furnish to the Association each Project Report not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester.

Section III. Withdrawal of the Proceeds of the Financing

A. General

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to: (a) finance Eligible Expenditures; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of Credit (A) Allocated (expressed in EUR)	Amount of Credit (B) Allocated (expressed in EUR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consulting services, Operating Costs and Training for the Project, <u>except for</u> : (i) Goods, works, non-consulting services, consulting services, under Part 2.1.1(a) of the Project (ii) Works under Part 2.1.1(b) of the Project (iii) Land Acquisition and Payment of Compensation under Part 2.4(b) of the Project; (iv) Emergency Expenditures under Part 3 of the Project; (v) Goods, works, non-consulting services, consulting services, under Part 2.1.2(a) of the Project; and (vi) Works under Part 2.1.2(b) of the Project;	50,100,000	100,000	100%

(2) Emergency Expenditures under Part 3 of the Project	0	0	100%
(3) Goods, works, non-consulting services, consulting services, under Part 2.1.2(a) of the Project	0	6,400,000	100%
(4) Works for Parts 2.1.2(b) of the Project	0	66,400,000	100%
TOTAL AMOUNT	50,100,000	72,900,000	

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 Signature Date; or
 - (b) for Emergency Expenditures under Category (2), unless and until the Association has notified the Recipient in writing that it agrees that the following conditions of disbursement have been satisfied:
 - (i) (A) the Recipient has determined that an Eligible Crisis or Emergency has occurred, and has furnished to the Association a request to withdraw Financing amounts under Category (2); and (B) the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and
 - (ii) the Recipient has adopted the CERC Manual and Emergency Action Plan, in form and substance acceptable to the Association; and
 - (iii) the Recipient has prepared and disclosed environmental and social instruments which are necessary to comply with the Environmental and Social Standards.
 - (c) for expenditures under Category (4), unless and until the Association has notified the Recipient in writing that it agrees that the following conditions of disbursement have been satisfied:
 - (i) the Recipient has prepared and disclosed, or caused the Project Implementing Entity to prepare and disclose, the Environmental and Social Impact Assessment for Lac Rose watershed, containing

an Environmental and Social Management Plan in form and substance acceptable to the Association; and

- (ii) the Recipient has prepared in consultation with affected people and disclosed, or caused the Project Implementing Entity to prepare in consultation with affected people and disclose, the site-specific Resettlement Action Plans prepared in accordance with the provisions of the Environmental and Social Management Plan, in form and substance acceptable to the Association;

all in accordance with the provisions of the ESCP.

- 2. The Closing Date is July 31, 2029.

Section IV. Amendment to the Original Financing Agreement

- 1. Schedule 1 to the Original Financing Agreement is deleted in its entirety and replaced by a new Schedule 1 strictly identical to Schedule 1 to this Agreement.
- 2. Section I.G(a) of Schedule 2 to the Original Financing Agreement is amended to read as follows:

“The Recipient, through the Project Implementing Entity, shall ensure that, and, if and as needed, cause ONAS to ensure, that: (a) no later than six (6) months after the effective date of the financing agreement pursuant to which the Association extended Credit no. 7372-SN and Credit no. 7373-SN to the Recipient, or at a later date agreed upon with the Association, a roadmap for the urban sanitation reform, including financing and management mechanisms of urban drainage systems at the national level, has been adopted, in form and manner satisfactory to the Association;”

- 3. The disbursement table in Section III.A of Schedule 2 to the Original Financing Agreement is deleted in its entirety and replaced by the following table:

QUOTE

Category	Amount of the Credit Allocated (expressed in EUR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consulting services, Operating Costs and Training for the Project, except under Part 2.1.1.(a), works under Part 2.1.1.(b), and any expenditures under Part 2.1.2 of the Project	81,600,000	100%
(2) Goods, works, non-consulting services, and consulting services under Part 2.1.1 (a) of the Project	5,100,000	100%
(3) Works under Part 2.1.1 (b) of the Project	45,500,000	100%
(4) Emergency Expenditures under Part 3 of the Project	0	100%
TOTAL AMOUNT	132,200,000	

4. UNQUOTE

SCHEDULE 3

Repayment Schedule

Repayment Schedule of Credit A

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each February 15 and August 15:	
commencing August 15, 2029, to and including August 15, 2034	8.33334%
on February 15, 2035	8.33326%

Repayment Schedule of Credit B

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each February 15 and August 15:	
commencing August 15, 2028, to and including February 15, 2048	1.65%
commencing August 15, 2048, to and including February 15, 2053	3.40%

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.05 (b) of the General Conditions.

APPENDIX

Definitions

1. “ADM” means *Agence de Développement Municipal*, a not-for-profit private association registered under the laws of the Recipient, created by its constitutive general assembly and governed by its articles of incorporation updated as of May 31, 2018.
2. “Annual Work Plan and Budget” means the plan and corresponding budget to be prepared annually by the Project Implementing Entity in accordance with Section I.E to Schedule 2 to this Agreement and Section I.C.1(a) and (b) of the Schedule to the Project Agreement, which has been finalized in a manner which incorporates the comments provided by the Association.
3. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.
4. “Basis Adjustment to the Interest Charge” means the Association’s standard basis adjustment to the Interest Charge for credits in the currency of denomination of the Credit, in effect at 12:01 a.m. Washington, D.C. time, on the date on which the Credit is approved by the Executive Directors of the Association, and expressed either as a positive or negative percentage per annum.
5. “Basis Adjustment to the Service Charge” means the Association’s standard basis adjustment to the Service Charge for credits in the currency of denomination of the Credit, in effect at 12:01 a.m. Washington, D.C. time, on the date on which the Credit is approved by the Executive Directors of the Association, and expressed as a percentage per annum.
6. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
7. “CERC Manual” means the manual referred to in Section I.E.1 (a) of Schedule 2 to this Agreement, as such manual may be updated from time to time with the agreement of the Association, and which is an integral part of the Operational Manual.
8. “Contingent Emergency Response Part” means any activity or activities to be carried out under Part 3 of the Project to respond to an Eligible Crisis or Emergency.

9. “DA” means *Direction de l’Assainissement*, the Recipient’s Directorate responsible for sewerage in its Ministry of Water and Sanitation, or its legal successor.
10. “DGUA” means *Direction Générale de l’Urbanisme et de l’Architecture*, the Recipient’s Directorate of Urban Planning and Architecture housed in its Ministry of Urban Planning, Housing and Public, or its legal successor.
11. “Emergency Expenditures” means any of the eligible expenditures set forth in the CERC Manual referred to in Section I.E.1(a) of Schedule 2 to this Agreement and required for the Contingent Emergency Response Part.
12. “Emergency Action Plan” means the plan referred to in Section I.E.1(b) detailing the activities, budget, implementation plan, and monitoring and evaluation arrangements, to respond to the Eligible Crisis or Emergency.
13. “Eligible Crisis or Emergency” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.
14. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated May 24, 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 Recipient 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.
15. “Environmental and Social Standards” or “ESSs” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Association.

16. “Fiscal Year” means a period of twelve consecutive calendar months starting on January 1.
17. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018 (revised on August 1, 2020, April 1, 2021, and January 1, 2022).
18. “Land Acquisition and Payment of Compensation” means land expenditures (including compensation for land acquisition related to implementation of a resettlement instrument) or cash compensation and other assistance paid in cash for involuntary resettlement.
19. “Municipality Agreement” means, for each Targeted Municipality, the agreement to be entered into between the Project Implementing Entity and said Targeted Municipality, in accordance with the provisions of Section I.A.6.(b) of the Schedule 2 to this Agreement
20. “*Office National de l’Assainissement du Senegal*” and “ONAS” each mean the public entity established by the Recipient’s law no. 96-02 of February 22 1996 and operating pursuant to the laws of the Recipient, as the same may be amended from time to time.
21. “ONAS Memorandum of Understanding” means the instrument entitled “*Protocole d’Accord définissant le cadre de la collaboration entre l’Agence de Développement Municipal (ADM) et l’Office National de l’Assainissement du Sénégal (ONAS) dans le cadre du Projet de Gestion des Eaux Pluviales et d’Adaptation au Changement Climatique Phase II (PROGEP 2)*” signed on December 9, 2021 between ADM and ONAS.
22. “Operating Costs” means the incremental operating expenses, included in the Annual Work Plans and Budgets, incurred on account of the Project implementation, management and monitoring, consisting of the cost of operation and maintenance of offices, vehicles and office equipment, insurance, water and electricity utilities charges, telephone charges, bank charges, travel and *per diem*, and salaries of contractual staff, but excluding the salaries of officials and public servants of the Recipient’s civil service.
23. “Original Financing Agreement” means the agreement entered into between the Recipient and the Association for the provision of Credit no. 6889-SN on June 4, 2021.
24. “Original Project” means, collectively, the set of activities included in Schedule 1 to the Original Financing Agreement.

25. “Original Project Agreement” the agreement entered into between the Project Implementing Entity and the Association on June 4, 2021 with respect to the implementation of the Original Project.
26. “Procurement Regulations” means, for purposes of paragraph 85 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated November 2020.
27. “Project Implementation Unit” means the unit within ADM referred to in Section I.A.3.(c) of Schedule 2 to this Agreement.
28. “Project Implementing Entity” means ADM.
29. “Project Steering Committee” and the acronym “PSC” means the steering committee for the Project created by the Recipient’s *arrêté* no. 937 dated January 21, 2021, as may be amended in accordance with Section I.A.1(b) of Schedule 2 to this Agreement.
30. “Project Technical Committee” and the acronym “PTC” means the technical committee for the Project created by the Recipient’s *arrêté* no. 937 dated January 21, 2021, as may be amended in accordance with Section I.A.2(b) of Schedule 2 to this Agreement.
31. “Signature Date” means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to “the date of the Financing Agreement” in the General Conditions.
32. “Subsidiary Agreement” means the agreement referred to in Section I.B of Schedule 2 to this Agreement pursuant to which the Recipient shall make the proceeds of the Financing available to the Project Implementing Entity.
33. “Targeted Municipalities” means the Recipient’s communes of: (i) Dakar and the urban and peri-urban area of Dakar, namely Pikine, Guediawaye and Rufisque; (ii) Thiès; and (iii) Saint-Louis; as well as any additional municipality proposed by the Recipient and which the Association has confirmed, prior to the inclusion of proposed activities in such municipality in a draft annual work plan and budget, that it is an acceptable municipality to be included in the Project. “Targeted Municipality” means one of the Targeted Municipalities.
34. “Training” means the reasonable costs, included in the Annual Work Plans and Budgets, of provision of training to persons under the Project, including seminars, workshops, knowledge sharing activities and study tours, consisting of the following: travel and subsistence costs for training participants, costs associated with securing the services of trainers, rental of training facilities, preparation and reproduction of training materials, and other costs directly related to training

preparation and implementation.

35. "XOF" refers to the currency having legal tender on the Recipient's territory.