
LOAN NUMBER 97490-MA

Loan Agreement

(Morocco Municipal Solid Waste Management Support Program)

between

KINGDOM OF MOROCCO

and

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

LOAN AGREEMENT

AGREEMENT dated as of the Signature Date between KINGDOM OF MOROCCO (“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 twenty-three million five hundred thousand Euro (EUR 223,500,000) as such amount may be converted from time to time through a Currency Conversion (“Loan”), to:
 - (a) assist in financing: (i) the program described in Part I of Schedule 1 to this Agreement (“Program”); and (ii) the project described in Part II of Schedule 1 to this Agreement (“Project”) (the Program and the Project hereinafter jointly referred to as the “Operation”); and
 - (b) provide the Rapid Response Option (“RRO”).
- 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 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 June 15 and December 15 in each year.
- 2.07. The principal amount of the Loan shall be repaid in accordance with Schedule 3 to this Agreement.

ARTICLE III — OPERATION; CONTINGENT EMERGENCY RESPONSE PROJECT

- 3.01. The Borrower declares its commitment to the objectives of the Operation and the Contingent Emergency Response Project (“CERP”). To this end, the Borrower shall: (a) ensure that the Operation is carried out in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement; and (b) carry out, or cause to be carried out, the CERP in accordance with Article V of the Project General Conditions.

ARTICLE IV — TERMINATION

- 4.01. The Effectiveness Deadline is the date one hundred twenty (120) days after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. The Borrower’s Representative is the Minister in charge of finances.
- 5.02. For purposes of Section 10.01 of the General Conditions:

- (a) the Borrower’s address is:

Ministère de l’Economie et des Finances
Quartier Administratif
Avenue Mohammed V
Rabat
Kingdom of Morocco; and

- (b) the Borrower’s Electronic Address is:

Cable address:	Facsimile:
MINFIN	+212-537-67-75-30/31
	+212-537-76-40-81

- 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

AGREED as of the Signature Date.

KINGDOM OF MOROCCO

By Nadia Fettah
Authorized Representative
Name: Nadia Fettah
Title: Minister of economy and finances
Date: 15-Jan-2025

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

By Ahmadou Moustapha Ndiaye
Authorized Representative
Name: Ahmadou Moustapha Ndiaye
Title: Country Director
Date: 13-Jan-2025

SCHEDULE 1

Operation Description

The objective of the Operation is to enhance the financial and environmental performance of the municipal solid waste management sector in the Program Area.

The Operation consists of the following activities:

1. The Program

The Program consists of the following activities:

Result Area 1. Strengthening the Governance, Policies and Management of the MSW Sector

(a) The adoption of a MSW sector development note (*note de vision*), consolidating existing foundations and outlining the long-term sector development vision and goals as well as the expected policy reforms, financing strategy, sector governance, and institutional and regulatory arrangements; (b) the enhancement of the Borrower's operational planning, monitoring, supervision capacity and coordination through, *inter alia*: (i) the development of an MSW management information system to monitor the MSW sector's performance (operational, environmental and financial) and the preparation of annual reports covering these three aspects; (ii) the development of a MSW Monitoring, Reporting and Verification ("MRV") system, tracking the sector's greenhouse gas emissions and (iii) the enhancement of the Borrower's regulatory framework for the environmental police; and (c) the carrying out of a number of policy and regulatory reforms aimed at promoting circular economy in the MSW sector management through, *inter alia*: (i) the proposed amendment of Law No. 28-00 on Solid Waste introducing key principles of circular economy such as the Extended Producer Responsibility ("EPR") and (ii) the development of new standards for composting, unlocking market potential for organic waste and enabling further waste diversion; and (d) the enhancement of citizen engagement in MSW service delivery through beneficiary satisfaction surveys, an action plan and results dissemination to the relevant stakeholders.

Result Area 2. Improving the Financial Performance of the MSW Sector

The carrying out of activities conducive to a financially sustainable path in MSW management through: (a) the enhancement of revenue mobilization for the MSW sector through: (i) the gradual implementation of a MSW fee; and (ii) exploring the potential to leverage carbon finance and climate finance resources; and (b) the improvement of the MSW sector financial management and performance, reducing contractual arrears, and improving the resources mobilized at the municipal level to cover the MSW sector costs.

Result Area 3. Enhancing the Environmental Performance of the MSW Sector

(a) The improvement of the MSW sector's environmental performance in selected controlled landfills in Participating Municipalities through: (i) the upgrade of selected controlled landfills ; (ii) the setup of waste recovery and recycling facilities at selected controlled landfills; (b) the strengthening of control and supervision of landfill management operations, through: (i) the roll-out of environmental control action plans and preparing annual reports, for the selected controlled landfills in the Participating Municipalities; (c) the strengthening of monitoring and supervision of delegated services through the production and transmission of regular reporting on delegated management contracts; (d) the support to address the legacy of environmental hazards and risks caused by inappropriate management of selected controlled landfills in Participating Municipalities through: (i) the treatment of accumulated stocks of leachate in upgraded controlled landfills; and (ii) the closure and rehabilitation of selected abandoned uncontrolled landfills; and (e) the deployment of a demonstration intervention in one Participating Municipality to gradually evolve toward an integrated MSW management model aiming at waste reduction, sorting, and recycling and promoting circular economy.

2. The Project

Support the Borrower for, *inter alia*: (a) the preparation of a MSW sector financing study, including the carrying out of a comprehensive analysis of different modalities for the implementation of the MSW fee roll-out, including a WAP survey; (b) the preparation of a MSW sector governance study; (c) the development of a MSW management information system to be rolled-out under the Program; (d) the development of environmental performance guidelines for MSW treatment and controlled landfilling facilities, including the development of operational guidelines for closing abandoned uncontrolled landfills; (e) the preparation of a technical and financial assessment of treatment of accumulated stocks of leachate options for municipalities in connection with priority landfills in the Program Area; (f) the preparation of a study for the development of an integrated MSW management system promoting circular economy and an assessment of its socio economic impacts; (g) the preparation of a study to explore existing arrangement and options for the integration of waste pickers into the MSW system; and the carrying out of an assessment of women's needs in the MSW sector to develop targeted training programs; and (h) the implementation, coordination, management, monitoring, evaluation and supervision of the Operation.

SCHEDULE 2

Operation Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Borrower shall:
 - (a) no later than ninety (90) days after the Effective Date, or such later date as agreed by the Bank: (i) ensure that the MoI establish and thereafter maintain, throughout the implementation of the Operation, a Program Implementation Unit (“PIU”) hosted within the DGCT, responsible for the overall implementation, coordination, monitoring and evaluation of the Operation, including the preparation of consolidated Program Reports and Project Reports, and financial statements; said PIU with composition and roles and responsibilities acceptable to the Bank and as set forth in the OM; and; (ii) ensure that the MTEDD appoint a focal point for the implementation of the relevant activities of the Operation under its responsibilities, with roles and responsibilities as set forth in the OM;
 - (b) no later than ninety (90) days after the Effective Date, or such later date as agreed by the Bank, establish and thereafter maintain, throughout the implementation of the Operation, a Steering Committee, chaired by the MoI and composed of representatives of the Borrower’s ministries and institutions participating in the implementation, monitoring and evaluation of the Operation (including representatives from the relevant MoI directorates, the MEF, the MTEDD, the MIC and any other relevant Borrower’s ministry/agency), responsible for strategic oversight under the Operation, all as further set forth in the OM.
2. To facilitate the implementation of the Program activities under the responsibility of the Participating Municipalities, the Borrower, through the MoI, shall ensure that adequate implementation arrangements are in place to ensure that each Participating Municipality (whether directly, through an ECI, a GCT and/or through a SDL) complies with the pertinent provisions of the OM (including the pertinent actions under the Program Action Plan and the Anti-corruption Guidelines), as said implementation arrangements are further set forth in the OM.

B. Additional Program Implementation Arrangements

Operations Manual

1. The Borrower shall: (a) through the PIU, no later than one hundred twenty (120) days after the Effective Date, or such later date as agreed by the Bank, adopt a

manual under terms and conditions acceptable to the Bank (“Operations Manual” or “OM”); and (b) immediately thereafter, carry out the Operation in accordance with the OM. The Borrower shall not amend or waive any provision of the OM without the Bank’s prior written consent. In case of any conflict between the terms of the OM and those of this Agreement, the terms of this Agreement shall prevail.

Program Action Plan

2. The Borrower shall: (a) carry out the actions set forth in the Program Action Plan, or cause those actions to be carried out, in accordance with the schedule set out in said Program Action Plan and in a manner acceptable to the Bank; and (b) except as the Bank and the Borrower shall otherwise agree in writing, not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the Program Action Plan, or any provision thereof.

Verification Protocol

3. The Borrower shall carry out the verification of achievement of DLRs which are set forth in the table in Section IV.A.2 of this Schedule in accordance with the Verification Protocol and furnish to the Bank not later than sixty (60) days after the verification of compliance of said DLRs, a report on the results of said verification of compliance process of such scope and in such detail as the Bank shall reasonably request.

C. Environmental and Social Standards for the Project.

1. The Borrower shall 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 shall 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 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.

3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. The Borrower shall 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 shall 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 Bank.

Section II. Excluded Activities

The Borrower 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.

Section III. Operation Monitoring, Reporting and Evaluation

1. The Borrower shall furnish to the Bank each Program Report and Project Report not later than forty-five (45) days after the end of each calendar year, covering the calendar year.
2. Without limitation upon the provisions of Section 5.13 of the Program General Conditions, the Borrower shall prepare or cause to be prepared periodic ACG Reports, in form and substance satisfactory to the Bank. The Borrower shall furnish, or cause to be furnished, each ACG Report to the Bank together with the Program Report not later than forty-five (45) days after the end of each calendar year covering the calendar year.

Section IV. Withdrawal of Loan Proceeds

A. General

1. Without limitation upon the provisions of Article II of the Program General Conditions, and Article II of the Project General Conditions, the Borrower may withdraw the proceeds of the Loan : (a) with respect to the Program, in accordance with the Disbursement and Financial Information Letter of the Operation, to finance Program Expenditures (inclusive of Taxes) on the basis of the results (“Disbursement Linked Results” or “DLRs”) achieved by the Borrower, as measured against specific indicators (“Disbursement Linked Indicators” or “DLIs”) in the amounts allocated against Categories (1) through (8); (b) with respect to the Project, in accordance with the Disbursement and Financial Information Letter of the Operation, to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against Category (9); (c) in accordance with the Disbursement and Financial Information Letter for the CERP, to finance Eligible Expenditures for the CERP; (d) to pay: (i) the Front-end Fee and (ii) each Interest Rate Cap or Interest Rate Collar premium; and (e) for the Complementary Financing for the Cat DDO in accordance with the provisions of Section II.A of the relevant Schedule on “Program Actions, Availability of Loan Proceeds” (or such equivalent heading) to the Cat DDO Legal Agreement (including the relevant provisions of any other document that is referred to or forms part of the Cat DDO Legal Agreement), which are hereby incorporated by reference in this Agreement, and which shall apply, *mutatis mutandis*, to the amount of the Loan allocated to the aforementioned Category.
2. The following table specifies each category of withdrawal of the proceeds of the Loan (including the Disbursement Linked Indicators, the Eligible Expenditures for the Project and the Eligible Expenditures for the CERP as applicable) (“Category”), the Disbursement Linked Results for each Category (as applicable), and the allocation of the amounts of the Loan to each Category:

Category (including Disbursement Linked Indicator as applicable)	Disbursement Linked Result (as applicable)	Amount of the Loan Allocated (expressed in EUR)	Percentage of Expenditures to be financed (inclusive of Taxes)
(1) DLI #1: Enhancement of MSW sector planning, monitoring and oversight	<p>DLR#1.1: A MSW sector development note (<i>note de vision</i>) is adopted.</p> <p>DLR#1.2: Three (3) annual reports on MSW sector status produced, based on the newly developed MSW services management information system.</p> <p>DLR#1.3: A MRV system for the MSW sector is operational</p> <p>DLR#1.4: The decree regulating the environmental police and its relationship/coordination with the technical, scientific and administrative staff of the MTEDD's Sustainable Development Department, has been amended for enhanced environmental control capacity.</p>	<p>DLR#1.1: 8,940,000</p> <p>DLR#1.2: 5,364,000 Per annual report produced based on the newly developed MSW services management information system, 1,788,000.</p> <p>DLR#1.3: 10,728,000</p> <p>DLR#1.4: 1,788,000</p>	(Not applicable)
(2) DLI #2: Introduction of regulations and policies to promote circular economy	<p>DLR#2.1: Draft Law No. 48-23 amending and supplementing the Solid Waste management and disposal's Law 28-00 promoting circular economy principles in MSW management, is adopted by the Government Council.</p> <p>DLR#2.2: Quality standards for MSW compost and plastic recyclables are published by IMANOR.</p>	<p>DLR#2.1: 15,645,000</p> <p>DLR#2.2: 4,470,000</p>	(Not applicable)

<p>(3) DLI#3: Enhancement of citizen engagement in the MSW sector management</p>	<p>DLR#3.1: Three (3) citizen engagement interventions carried out, each citizen engagement intervention to include: satisfaction surveys, an action plan and disseminations to the relevant stakeholders, as described in the OM.</p>	<p>DLR#3.1: 3,576,000 Per citizen engagement intervention carried out, 1,192,000.</p>	<p>(Not applicable)</p>
<p>(4) DLI#4: Mobilization of additional sources of financing for MSW</p>	<p>DLR#4.1: A Circular of the MoI clarifying the implementation modalities of the MSW fee is issued.</p> <p>DLR#4.2: Eight (8) Participating Municipalities have introduced a MSW fee.</p> <p>DLR#4.3: A carbon finance potential assessment has been carried out for investments in the Program Area.</p>	<p>DLR#4.1: 15,645,000</p> <p>DLR#4.2: 17,880,000 Per Participating Municipality, 2,235, 000.</p> <p>DLR#4.3: 8,940,000</p>	<p>(Not applicable)</p>
<p>(5) DLI#5: Improvement of MSW sector financial management in the Program Area</p>	<p>DLR#5.1: The level of MSW costs covered by municipal own-source revenues is improved to 90% in six (6) Participating Municipalities.</p> <p>DLR#5.2: An action plan to improve the management of arrears on collection and disposal contracts is adopted in six (6) Participating Municipalities.</p> <p>DLR#5.3: 60% decrease in the overall value of payment arrears in delegated MSW services in six (6) Participating Municipalities.</p>	<p>DLR#5.1: 8,940,000 From a baseline of 70%, per % point increase in six (6) Participating Municipalities in aggregate, 447,000.</p> <p>DLR#5.2:12,516,000 Per Participating Municipality adopting an action plan, 2,086,000.</p> <p>DLR#5.3: 12,516,000 From the 2023 baseline defined in the OM, per % point decrease, in the six (6) Participating Municipalities in aggregate, 208,600.</p>	
<p>(6) DLI#6: Improvement of</p>	<p>DLR#6.1: Six (6) controlled landfills in Participating</p>	<p>DLR#6.1: 20,562,000</p>	<p>(Not applicable)</p>

<p>environmental performance in landfills</p>	<p>Municipalities have enhanced their landfilling operations in accordance with existing regulations and technical specifications model as set forth in the OM.</p> <p>DLR#6.2: 20% waste recovery rate improvement in five (5) controlled landfills in Participating Municipalities.</p> <p>DLR#6.3: Cumulative three (3) annual reports produced on the results of environmental control plans of landfills in Participating Municipalities rolled out in accordance with operational guidelines developed.</p> <p>DLR#6.4: Cumulative fifteen (15) annual reports monitoring delegated service delivery are transmitted by five (5) Participating Municipalities</p>	<p>From a baseline of 0, per controlled landfill updated, 3,427,000.</p> <p>DLR#6.2: 18,774,000 Per % point of waste recovery rate improvement, in the five (5) controlled landfills in aggregate, 938,700.</p> <p>DLR#6.3: 3,576,000 Per report, 1,192,000.</p> <p>DLR#6.4: 4,470,000 Per report, 298,000.</p>	
<p>(7) DLI#7: Addressing the environmental legacy of the MSW sector</p>	<p>DLR#7.1: Accumulated leachate stock in five (5) existing controlled landfills in Participating Municipalities treated in accordance with applicable discharge standards.</p> <p>DLR#7.2: Five (5) abandoned uncontrolled landfills in Participating Municipalities closed and rehabilitated in accordance with environmental standards.</p>	<p>DLR#7.1: 22,350,000 Per each existing controlled landfill in a Participating Municipality having treated the total accumulated leachate stock, 4,470,000.</p> <p>DLR#7.2: 12,516,000 From a baseline of 0, per abandoned uncontrolled landfill closed and rehabilitated in accordance with environmental</p>	<p>(Not applicable)</p>

		standards set forth in the OM, 2,503,200.	
(8) DLI#8: Promoting the development of circular economy	DLR#8.1: Deployment of a local integrated MSW management system in one (1) Participating Municipality with a focus on plastics and packaging material.	DLR#8.1: 8,940,000	(Not applicable)
(9) Goods, consulting services and non-consulting services under the Project		4, 805,250	100%
(10) Eligible Expenditures for the CERP		0	100%
(11) Complementary Financing for the Cat DDO		0	(Not applicable)
(12) Front-end Fee to be paid pursuant to Section 2.03 of this Agreement in accordance with Section 2.05(b) of the General Conditions		558,750	(Not applicable)
(13) Interest Rate Cap or Interest Rate Collar premium to be paid pursuant to Section 4.05(c) of the General Conditions		0	(Not applicable)
TOTAL AMOUNT		223,500,000	

B. Withdrawal Conditions for the Program; Withdrawal Period

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 DLRs under Categories (1) to (8), until and unless the Borrower has furnished evidence satisfactory to the Bank that said DLR has been achieved; or
 - (c) for Eligible Expenditures under Category (10), until and unless the Bank has notified the Borrower that the conditions set forth in Section 5.15(a) of the Project General Conditions have been fulfilled; or

- (d) for Complementary Financing for the Cat DDO under Category (11), until and unless:
 - (i) the Borrower has furnished to the Bank a request to reallocate and thereafter withdraw all or part of the Unwithdrawn Loan Balance for the Complementary Financing for the Cat DDO, and such notice specifies the Cat DDO Legal Agreement; and
 - (ii) the Bank has accepted said request and notified the Borrower thereof, and is satisfied, based on evidence satisfactory to it, that the conditions precedent to withdrawal of the financing provided under the Cat DDO Legal Agreement have been fulfilled.
- 2. Notwithstanding the provisions of Part B.1(b) of this Section, the Borrower may withdraw an amount not to exceed Euro 54,534,000 as an advance against DLRs to be met; provided, however, that if the DLRs in the opinion of the Bank, 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 Disbursement Calculation Formula set forth in the right column of the table above) to the Bank promptly upon notice thereof by the Bank. Except as otherwise agreed with the Borrower, the Bank shall cancel the amount so refunded. Any further withdrawals requested as an advance under any Category 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 under Categories (1) to (8) have not been achieved, 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.

C. Withdrawal Conditions for the Project

Notwithstanding the provisions of Part A above, no withdrawal shall be made under Category (9) for payments made prior to the Signature Date.

D. Withdrawal Period for the Operation

The Closing Date is December 31, 2030.

SCHEDULE 3

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”).

Principal Payment Date	Installment Share
On each June 15 and December 15 Beginning December 15, 2029 through June 15, 2049	2.46%
On December 15, 2049	1.60%

APPENDIX

Section 1. Definitions

1. “ACG Report” means the Borrower’s periodic report, in form and substance satisfactory to the Bank, and in accordance with the provisions of the Anti-Corruption Guidelines, including whether or not there has been: (1) any credible and material allegations and other indications of fraud and corruption under the Program which come to the Borrower’s attention during such period, (2) any investigations launched by the Borrower into such allegations, their progress and findings, and (3) any remedial or corrective actions taken or planned in response to such allegations or the findings of such investigations.
2. “Anti-corruption Guidelines” means: (a) for purposes of paragraph 6 of the Appendix to the Program General Conditions, 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 Project 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.
3. “Cat DDO Legal Agreement” means the agreement between the Borrower and the Bank, as the case may be, for the Cat DDO, whose closing date is after the date when the Borrower requests the withdrawal of the Complementary Financing for the Cat DDO, as further specified by the Borrower in such request for withdrawal.
4. “Cat DDO” means the financing provided under the Cat DDO Legal Agreement with a deferred drawdown option for catastrophe risks.
5. “Category” means a category set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement.
6. “Complementary Financing for the Cat DDO” means the amount of the Loan allocated to the Category entitled “Complementary Financing for the Cat DDO” set forth in the table in Section IV.A of Schedule 2 to this Agreement.
7. “DGCT” means the General Directorate of Local Governments within the MoI.
8. “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.
9. “Disbursement Linked Result” or “DLR” means in respect of a given Category, the result under said Category as set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement, on the basis of the achievement of which, the amount of the

Loan allocated to said result may be withdrawn in accordance with the provisions of said Section IV.

10. “ECIs” means *établissements de coopération intercommunale*, inter-municipal cooperation entities established or to be established in accordance with Articles 134-140 of Organic Law No. 113-14 regarding the *Communes*, representing two or more municipalities in the Program Area, as the list of ECIs is set forth in the OM.
11. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated October 16, 2024 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.
12. “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 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.
13. “EPR” means Extended Producer Responsibility.
14. “General Conditions” means, collectively (unless the context otherwise require), the Program General Conditions and the Project General Conditions.
15. “GCTs” means *Groupements de Collectivités Territoriales*, Borrower’s territorial cooperation entities within the Program Area, established or to be established in accordance with Articles 141-148 of Organic Law 113-14 regarding the *Communes*; as the list of GCTs is set forth in the OM.
16. “IMANOR” means *Institut Marocain de Normalisation*, the Borrower’s Moroccan Standards Institute.

17. “MEF” means the Borrower’s ministry in charge of economy and finance, or any successor thereto.
18. “MIC” means the Borrower’s ministry in charge of industry and trade, or any successor thereto.
19. “MoI” means the Borrower’s ministry in charge of interior, or any successor thereto.
20. “MRV” means monitoring, reporting and verification.
21. “MSW” means municipal solid waste.
22. “MTEDD” means the Borrower’s ministry in charge of Energy Transition and Sustainable Development, or any successor thereto.
23. “Steering Committee” means the steering committee referred to in Section I.A.1(b) of Schedule 2 to this Agreement.
24. “Operations Manual” or “OM” means the Borrower’s manual for the Operation referred to in Section I.B.1 of Schedule 2 to this Agreement, which shall contain, *inter alia*: (i) administrative, monitoring and evaluation procedures; (ii) environmental and social management systems and complaints and grievance redress mechanism; (iii) the Program Action Plan; (iv) implementation arrangements (including, a municipal level agreement (*convention spécifique*) to be signed between the MI and the Participating Municipalities); (v) details, required results and arrangements for verification of achievement of the DLRs (including the Verification Protocol); (vi) templates of Program Report and Project Report, and ACG Report; (vii) the list of Participating Municipalities; and (viii) the protocol/arrangements for periodic reporting to the Bank on, and sharing the findings of, any case of fraud and corruption denounced and/or investigated under the Program, in accordance with the Anti-Corruption Guidelines (to be included as an attachment to the OM); as said manual may be amended from time to time with the Bank’s prior written consent.
25. “Participating Municipalities” means the Borrower’s municipalities, ECIs, and/or GCTs, selected to participate in the Operation, and listed in the OM.
26. “Procurement Regulations” means, for purposes of paragraph 87 of the Appendix to the Project General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated September 2023.
27. “Program Area” means the list of Participating Municipalities set forth in the OM.

28. “Program Action Plan” means the Borrower’s plan dated October 16, 2024, and referred to in Section I.B.2 of Schedule 2 to this Agreement, as may be amended from time to time with the agreement of the Bank.
29. “Program General Conditions” means “International Bank for Reconstruction and Development General Conditions for IBRD Financing, Program-for-Results Financing”, dated December 14, 2018 (last revised on July 15, 2023), with the modifications set forth in Section II of this Appendix.
30. “Program Implementing Unit” or “PIU” means the Operation management unit hosted within the DGCT referred to in Section I.A.1(a) of Schedule 2 to this Agreement, and further described in the OM.
31. “Project General Conditions” means the “International Bank for Reconstruction and Development General Conditions for IBRD Financing, Investment Project Financing”, dated December 14, 2018 (last revised on July 15, 2023), with the modifications set forth in Section II of this Appendix.
32. “Rapid Response Option” or “RRO” means the use of all or any portion of the Loan that has been requested by the Borrower and accepted by the Bank in accordance with the terms of this Agreement to: (a) assist in financing the CERP; and (b) provide complementary financing in support of the program defined in the Cat DDO Legal Agreement.
33. “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.
34. “Verification Protocol” means the protocol agreed between the Borrower and the Bank, dated October 16, 2024 and included as an annex in the OM, setting forth the means, procedures and evidence to be relied upon for certifying the achievement of the DLRs, as well as the responsible entities thereof, and the content and/or format of the reports to be furnished to the Bank in support thereof, as the same may be amended from time to time with prior written agreement of the Bank.
35. “WAP” means willingness and ability to pay.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. Section 1.01 (*Application of General Conditions*) of the Project General Conditions is modified by adding a new paragraph as follows:

“If the Loan Agreement provides for the use of the Loan to assist in financing the CERP, references in these General Conditions to the Project and the Respective

Parts of the Project (other than those in sub-Sections 5.08(b)(i) and 5.08.(c)(i), and the definitions of the terms “Anti-Corruption Guidelines”, “Procurement Regulations”, “Project”, and “Respective Part of the Project”) shall be deemed to also refer to the CERP and the Respective Parts of the CERP, respectively. Conversely, if the Loan Agreement does not provide for the use of the Loan to assist in financing the CERP, references to the CERP and the Respective Parts of the CERP in these General Conditions, and all clauses applicable exclusively to them, shall be disregarded.”

2. Section 3.01 (*Front-end Fee; Commitment Charge*) of the General Conditions is modified to read as follows:

“Section 3.01. *Front-end Fee; Commitment Charge*

- (a) The Borrower shall pay the Bank a Front-end Fee on the Loan amount at the rate specified in the Loan Agreement. Except as otherwise provided in Section 2.05(b), the Borrower shall pay the Front-end Fee not later than sixty (60) days after the Effective Date.
- (b) The Borrower shall pay the Bank a Commitment Charge on the Unwithdrawn Loan Balance at the rate specified in the Loan Agreement. The Commitment Charge shall accrue from the date of the Loan Agreement or the date which falls on the fourth anniversary of the date of approval of the Loan by the Bank, whichever is later, to the respective dates on which amounts are withdrawn by the Borrower from the Loan Account or cancelled. Except as otherwise provided in Section 2.05(c), the Borrower shall pay the Commitment Charge semi-annually in arrears on each Payment Date.”

3. Section 3.04 (*Prepayment*) is modified to read as follows:

“Section 3.04. *Prepayment*

- (a) After giving not less than forty-five (45) days’ notice to the Bank, the Borrower may repay the Bank the following amounts in advance of maturity, as of a date acceptable to the Bank (provided that the Borrower has paid all Loan Payments due as at such date: (i) the entire Withdrawn Loan Balance as at such date; or (ii) the entire principal amount of any one or more maturities of the Loan. Any partial prepayment of the Withdrawn Loan Balance shall be applied in the manner specified by the Borrower, or in the absence of any specification by the Borrower, in the following manner: (A) if the Loan Agreement provides for the separate amortization of specified Disbursed Amounts of the principal of the Loan the prepayment shall be applied in the inverse order of such Disbursed Amounts, with the Disbursed Amount which has been withdrawn last being repaid first and with the latest maturity of said Disbursed Amount being repaid first; and (B) in all other cases, the prepayment shall be

applied in the inverse order of the Loan maturities, with the latest maturity being repaid first.

- (b) If, in respect of any amount of the Loan to be prepaid, a Conversion has been effected and the Conversion Period has not terminated at the time of prepayment, the provisions of Section 4.06 shall apply.”

- 4. Paragraphs (b) and (c) of Section 5.08 (*Project Monitoring and Evaluation*) of the Project General Conditions are modified to read as follows:

“(b) The Borrower shall:

- (i) in respect to the Project, prepare or cause to be prepared periodic reports (“Project Report”), in form and substance satisfactory to the Bank, integrating the results of such Project monitoring and evaluation activities and setting out measures recommended to ensure the continued efficient and effective execution of the Project, and to achieve its objectives;

- (ii) in respect to the CERP, prepare or cause to be prepared periodic reports (“CERP Report”) and in form and substance satisfactory to the Bank, integrating the results of the monitoring and evaluation activities of the CERP and setting out measures recommended to ensure the continued efficient and effective execution of the CERP, and to achieve its objectives; and such CERP Reports shall be prepared: (A) on an annual basis in the absence of an Eligible Crisis and Emergency; and (B) at least semi-annually, as further determined in the CERP Manual, throughout the implementation period of a Crisis Response Plan during an Eligible Crisis and Emergency; and

- (iii) the Borrower shall furnish or cause to be furnished each Project Report or CERP Report to the Bank promptly upon its preparation, afford the Bank a reasonable opportunity to exchange views with the Borrower and the Project Implementing Entity on any such report, and thereafter implement such recommended measures, taking into account the Bank’s views on the matter.

- (c) Except as the Bank may reasonably determine otherwise, the Borrower shall prepare, or cause to be prepared, and furnish to the Bank:

- (i) in respect to the Project, not later than six (6) months after the Closing Date: (A) a report of such scope and in such detail as the Bank shall reasonably request, on the execution of the Project, the performance by the Borrower and the Bank of their respective obligations under the Legal Agreements and the accomplishment

of the purposes of the Loan; and (B) a plan designed to ensure the sustainability of the Project's achievements; and

- (ii) in respect to the CERP, not later than six (6) months after the end of the implementation period of the CERP: (A) a report of such scope and in such detail as the Bank shall reasonably request, on the execution of the CERP, the performance by the Borrower and the Bank of their respective obligations, and the accomplishment of the purposes of the Loan; and (B) a plan designed to ensure the sustainability of the CERP's achievements."

- 5. A new Section 5.15 (*Contingent Emergency Response Project*) of the Project General Conditions is added to read as follows:

"Section 5.15. *Contingent Emergency Response Project*

- (a) If the Loan Agreement provides for the use of the Loan to assist in financing the CERP, the Bank may reallocate all or part of the Unwithdrawn Loan Balance for the financing of a specific Crisis Response Plan if the Bank has notified the Borrower that the following conditions have been fulfilled:
 - (i) (A) the Borrower has determined that an Eligible Crisis or Emergency has occurred, and has furnished to the Bank a request to reallocate and thereafter withdraw all or part of the Unwithdrawn Loan Balance for the financing of a specific Crisis Response Plan under the CERP under implementation at the time of the request; and (B) the Bank has agreed with such determination and accepted said request; and
 - (ii) the Borrower has adopted the CERP Manual (with the CERP ESCP attached as an annex) and the Crisis Response Plan, both in form and substance acceptable to the Bank.
- (b) The Borrower shall carry out, or cause to be carried out, the CERP pursuant to the Crisis Response Plan(s), the CERP Manual, the Environmental and Social Standards, the CERP ESCP, and the environmental and social instruments prepared thereunder, all in a manner acceptable to the Bank. To this end, the Borrower shall ensure that:
 - (i) the structures and arrangements referred to in the CERP Manual are maintained throughout the implementation of the CERP and each of the Crisis Response Plans, in a manner and substance acceptable to Bank;

- (ii) the environmental and social instruments required for the CERP and the respective Crisis Response Plan are prepared, disclosed and adopted in accordance with the CERP Manual and the CERP ESCP, and in form and substance acceptable to the Bank;
 - (iii) the measures and actions specified in the CERP ESCP are implemented with due diligence and efficiency, as provided in the CERP ESCP;
 - (iv) sufficient funds are made available to cover the costs of implementing the CERP ESCP;
 - (v) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the CERP ESCP, as provided in the said CERP ESCP;
 - (vi) subject to the prior written agreement of the Bank, any revised CERP ESCP or environmental and social documents prepared thereunder is disclosed promptly after their approval;
 - (vii) all measures necessary are taken to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the CERP ESCP, and promptly in a separate report or reports, if so requested by the Bank, information on the status of compliance with the CERP 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: (A) the status of implementation of the CERP ESCP; (B) conditions, if any, which interfere or threaten to interfere with the implementation of the CERP ESCP; and (C) corrective and preventive measures taken or required to be taken to address such conditions; and
 - (viii) the Bank is promptly notified of any incident or accident related to or having an impact on the CERP 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 CERP ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
- (c) The Borrower shall ensure that neither the Crisis Response Plan(s) nor the CERP Manual nor the CERP ESCP is amended, suspended, abrogated, repealed or waived without the prior written agreement by the Bank. Nevertheless, in the event of any inconsistency between the provisions of the CERP Manual, the Crisis Response Plan(s), or the CERP ESCP, on the one side, and any provision of these

General Conditions or the Legal Agreements, on the other, the provisions of the Legal Agreements and these General Conditions shall prevail.

- (d) The Borrower shall, or shall cause to, establish, publicize, maintain, and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of people affected by the CERP, 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.
 - (e) The Borrower shall ensure that that all bidding documents and contracts for civil works under the CERP include the obligation of contractors, subcontractors and supervising entities to: (i) comply with the relevant aspects of the applicable CERP ESCP and the environmental and social instruments referred to therein; and (ii) 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.”
6. The following definitions are inserted in the Appendix to the Project General Conditions in alphabetical order as paragraphs [#] - [#], and the remaining definitions and paragraphs (as the case may be) renumbered accordingly:

“[#]. “CERP ESCP” means the environmental and social commitment plan for the CERP to be prepared and adopted by the Borrower, as the same may be amended from time to time in accordance with the provisions thereof, setting forth the material measures and actions that the Borrower shall carry out to address the potential environmental and social risks and impacts of the activities detailed in the Crisis Response Plan, 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.”

“[#]. “CERP Manual” means the implementation manual to be prepared and adopted by the Borrower setting forth the detailed implementation arrangements for the CERP, including: (a) any structures or institutional arrangements, allocation of responsibilities and decision making powers for coordinating and implementing the activities thereunder; (b) the specific activities to be implemented under the CERP in response to the declared/determined Eligible Crisis and Emergency pursuant to the Crisis Response Plan; (c) the template for the Crisis Response Plan; (d) the positive list of Eligible Expenditures for the CERP; (e) the financial management and withdrawal arrangements for the implementation of the CERP; (f) the procurement methods and procedures to be followed in the implementation of the CERP; (g) a description of the environmental and social assessment and management arrangements applicable to the CERP; and (h) template of the CERP Reports as well as the monitoring and evaluation arrangements for the activities thereunder.”

“[#]. “CERP Report” means each report on the CERP to be prepared and furnished to the Bank pursuant to Section 5.08(b)(ii) of these General Conditions.”

“[#]. “Contingent Emergency Response Project” and the term “CERP” mean the contingent emergency response project prepared from time to time by the Borrower and agreed with the Bank aimed at responding promptly and effectively to an Eligible Crisis or Emergency, as further elaborated in the Crisis Response Plan(s), as amended from time to time by agreement between the Borrower and the Bank.”

“[#]. “Crisis Response Plan” means the plan to be prepared and adopted by the Borrower in response to an Eligible Crisis or Emergency detailing, among others: (a) the activities to be implemented under the CERP in response to the Eligible Crisis or Emergency; (b) the estimated budget therefor and corresponding appropriations and/or financing sources; (c) the implementation timeline which, unless the Bank otherwise agrees, shall not exceed twelve (12) months; (d) the foreseeable procurement and an abridged CERP Procurement Plan therefor; and (e) the envisioned results framework and indicators.”

“[#]. “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 Borrower, associated with a natural or man-made crisis or disaster.”

“[#]. “Environmental and Social Standards” 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 Bank.”

7. In paragraphs originally numbered, 6, 85 and 90 of the Appendix of the Project General Conditions, the terms “Anti-Corruption Guidelines”, “Procurement Regulations” and “Project Report”, respectively are modified to read as follows:

““Anti-Corruption Guidelines” means: (a) for the Project: the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD

Loans and IDA Credits and Grants”, as further defined in the Loan Agreement; and (b) for the CERP: the latest iteration of the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants” that had been issued by the Bank as the day of the Bank’s endorsement of the CERP for financing.”

““Procurement Regulations” means: (a) for the Project: the “World Bank Procurement Regulations for Borrowers under Investment Project Financing”, as further defined in the Loan Agreement; and (b) for the CERP: the latest iteration of the “World Bank Procurement Regulations for Borrowers under Investment Project Financing” that had been issued by the Bank as the day of the Bank’s endorsement of the CERP for financing.”

““Project Report” means each report on the Project to be prepared and furnished to the Bank pursuant to Section 5.08(b)(i) of these General Conditions.”

8. In paragraphs originally numbered 74 and 80 of the Appendix of the Program General Conditions and paragraphs originally numbered 75 and 81 of the Project General Conditions, the terms “Loan Payment” and “Payment Date”, respectively, are modified to read as follows:

““Loan Payment” means any amount payable by the Loan Parties to the Bank pursuant to the Legal Agreements, including (but not limited to) any amount of the Withdrawn Loan Balance, interest, the Front-end Fee, the Commitment Charge, interest at the Default Interest Rate (if any), any surcharge, any transaction fee for a Conversion or early termination of a Conversion, any premium payable upon the establishment of an Interest Rate Cap or Interest Rate Collar, and any Unwinding Amount payable by the Borrower.”

““Payment Date” means each date specified in the Loan Agreement occurring on or after and fees (other than the Front-end Fee) are payable, as applicable.”

9. Definitions of the terms “Allocated Excess Exposure Amount”, “Exposure Surcharge”, “Standard Exposure Limit” and “Total Exposure” in the relevant paragraphs of the Appendix to the General Conditions are deleted in their entirety and the subsequent paragraphs are renumbered accordingly.