

Date: 08-Jun-2024

H. E. Nicolas Kazadi Kadima-Nzuji
Minister of Finance
Ministry of Finance
Boulevard du 30 Juin
Commune de la Gombe
Kinshasa 1
Democratic Republic of Congo

***Democratic Republic of Congo: Transport and Connectivity Support Project
(Credit No. 7161-ZR and Grant No. E0850-ZR)***

First Amendment to the Financing Agreement

Excellency:

We refer to the Financing Agreement between the Democratic Republic of Congo (the “Recipient”) and the International Development Association (the “Association”) dated June 28, 2022, for the abovementioned Project (“Financing Agreement”). Please note that the capitalized terms used in this letter (“Amendment Letter”) and not defined herein have the meanings ascribed to them in the Financing Agreement.

We also refer to your letter No. Réf: 0672/No. CAB/MIN FINANCES/PP/KKO/2024 of April 11, 2024 and follow-up discussions between our teams, requesting, *inter alia*: (a) a reallocation of Financing proceeds to finance Land Acquisition and Compensation expenditures related to the implementation of the RAPs; and (b) a modification of Section III.B of the Financing Agreement regarding the withdrawal conditions in connection with Categories (3) to (5). We are pleased to confirm that the Association agrees with your request and proposes to amend the Financing Agreement in respect to the provisions below as follows:

1. Part 1.4 of the Project in Schedule 1 to the Financing Agreement is hereby amended and replace in its entirety to read as follows:

“Provision of support to the Recipient, and particularly the CI, for the management, implementation, coordination, monitoring and evaluation of the Project, including through the provision of technical assistance (including for the preparation of the environmental and social documents and instruments in connection with future road investments to be identified under Part 1.1(a)(ii) of the Project), Training, purchase of equipment and logistics, development and purchase of tools (including innovative tools such as drones) for Project monitoring and evaluation, the carrying out of communication activities, and the financing of Operating Costs.

2. Part 3.1 of the Project in Schedule 1 to the Financing Agreement is hereby amended and replace in its entirety to read as follows:

“1. Support the Implementation of Environmental and Social Standards

Provision of support to the Recipient in the mitigation of potentially negative social and environmental aspects associated with the construction works under Part 2 of the Project, through the following activities including: (a) the provision of technical assistance and training for the implementation and close monitoring of the instruments and mitigation measures included in the ESCP, including the preparation and implementation of a training program covering all environmental and social aspects of the Project, including SEA/SH aspects and training of security and/or military personnel if and when involved under the Project; (b) the establishment of a grievance redress mechanism for channeling and managing Project-related complaints, and the carrying out of communication activities regarding the Project activities; (c) the provision of technical assistance to support the Recipient in the implementation and monitoring of the SEA/SH Action Plan; (d) the carrying out of relevant Training, including on safety aspects; and (e) the acquisition of land and provision of compensation (including cash compensation and other assistance paid for involuntary resettlement) in connection with the implementation of the RAPs.”

3. The table in Section III.A. of Schedule 2 to the Financing Agreement is hereby amended as set forth in Annex 1 to this Amendment Letter.
4. Section III. B.1 of Schedule 2 to the Financing Agreement is hereby amended and replaced in its entirety to read as follows:

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

- (a) for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed \$1,800,000 may be made for payments made prior to this date but on or after the date falling twelve months prior to the Signature Date, for Eligible Expenditures under Category (2); or
- (b) for payments under Category (6), until and unless the Association is satisfied that all the following conditions have been met in respect of said activities:
 - (i) (A) the Recipient has determined that an Eligible Crisis or Emergency has occurred, 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.”

5. The Appendix to the Financing Agreement is hereby amended as follows:

The following definitions are revised to read as follows:

““Selected Provinces” means: (a) the Recipient’s provinces of Kasai Oriental and Lomani in the Kasai region, and Nord Kivu in the Easter part of DRC, and any other selected province in the Kasai region and/or Easter part of DRC; and (b) any other selected provinces in DRC; all as agreed between the Recipient and the Association and listed in the PIM.

““Operating Costs” means recurrent costs incurred on account of Project management, coordination, implementation, monitoring and evaluation, and supervision by the Recipient, more particularly, the CI, including: (i) operation and maintenance of vehicle; (ii) computer maintenance, including hardware and software; (iii) communication costs and shipment costs (whenever these costs are not included in the cost of goods); (iv) office supplies; (v) rent and maintenance for office facilities; (vi) utilities expenses; (vii) travel and *per diem* costs for technical staff carrying out training, supervisory and quality control activities; (viii) salaries of support staff locally recruited by the CI to carry out the Project management, monitoring and evaluation; (ix) reasonable transport costs for the Recipient’s civil servants working on the Project; and (x) limited operating costs incurred by the ACE and the ICCN, and other relevant Recipient’s implementing entities; said OCs as further described in the PIM; but excluding salaries of the Recipient’s civil servants.

The following definition is added, and the existing definitions are renumbered accordingly:

““Land Acquisition and Compensation” means expenditures incurred for land acquisition, cash compensation and/ or other assistance paid for involuntary resettlement, as set forth in the relevant RAP.”

The following definitions are deleted, and the existing definitions are renumbered accordingly:

““ESIA/ESMP” means each environmental and social impact assessment, including an environmental and social management plan to be prepared and disclosed in accordance with the provisions of the ESMF, and approved by the Association, including, *inter alia*: (a) the mitigation measures to monitor, reduce, offset or compensate any environmental and/or negative impact that may arise from the carrying out of the ancillary works in connection with the paving road segment works under Parts 2.1(a)(i)(A), 2.1(a)(i)(B) and 2.1(a)(ii) of the Project, respectively; (b) capacity development and training; and (c) the institutional arrangements, the implementation schedule, budget and monitoring and evaluation systems to implement, monitor and evaluate said mitigation measures; as each ESIA/ESMP may be amended and/or supplemented from time to time with the Association’s prior written agreement.”

““IPP” means the indigenous peoples plan to be prepared and disclosed by the Recipient in accordance with the procedures and requirements of the IPPF and approved by the Association, containing, *inter alia*, the principles, procedures, organizational arrangements and budget to implement activities which may impact indigenous in connection with the Kabinda-Mbanga paving road works under Part 2.1(a)(ii) of the Project; as said IPP may be amended and/or supplemented from time to time with the Association’s prior written agreement.”

““IPPF” means the Recipient’s Indigenous People Policy Framework, acceptable to the Association, disclosed on the Recipient’s territory on February 3, 2022, which contains, *inter alia*, details of mechanisms designed to guarantee the full, prior and informed participation and consent of the local population in the design and implementation of the Project, and to ensure that the local population is both protected from any adverse effects and able to derive appropriate culturally compatible social and economic benefits therefrom, as such IPPF may be amended and /or supplemented from time to time with the Association’s prior written agreement.”

All other provisions of the Financing Agreement that have not been amended hereby, shall remain in full force and effect.

In addition, in furtherance to our letter N/Réf: 314/RDC/CD/AS/TIA/2024 dated May 31, 2024, regarding the recent endorsement of the Board of Executive Directors of the International Bank of

Reconstruction and Development and the International Development Association of the World Bank new Corporate Scorecard approach and framework, please find attached the revised Project Results Framework in Annex 2.

Please indicate your agreement to the foregoing by countersigning and dating this Amendment Letter. This Amendment Letter shall become effective as of the date of its countersignature.

Sincerely,

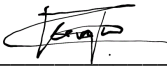
INTERNATIONAL DEVELOPMENT ASSOCIATION



Albert G Zeufack
Country Director for the Democratic Republic of Congo
Eastern Southern Africa Region

AGREED:

DEMOCRATIC REPUBLIC OF CONGO

By:  _____

Name: Nicolas Kazadi Kadima-Nzuji

Title: Finance minister

Date: 08-juin-2024

Annex 1

Category	Amount of the Credit Allocated (expressed in USD)	Amount of the Grant Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, non-consulting services (including Training), consulting services and Operating Costs under Parts 1 and 3 of the Project	17,480,000	53,600,000	100% (20% Credit/80% Grant)
(2) Works, goods, non-consulting services (including Training) and consulting services under Part 2 of the Project (but excluding works under Part 2.1(a))	75,000,000	0	100% Credit
(3) Works in connection with the Mbuyi-Mayi Kabinda road section under Part 2.1(a)(i)(A) of the Project	122,500,000	0	100% Credit
(4) Works in connection with the Kabinda-Mbanga road section under Part 2.1(a)(i)(B) of the Project	101,000,000	0	100% Credit
(5) Works in connection with the Butembo-Kanya-Bayonga road section under Part 2.1(a)(ii) of the Project	104,000,000	0	100% Credit
(6) Emergency Expenditures under Part 4 of the Project	0	0	100%
(7) Refund of Preparation Advance	5,500,000	0	Amount payable pursuant to Section 2.07(a) of the General Conditions
(8) Land Acquisition and Cash Compensation	2,500,000	0	
TOTAL AMOUNT	427,980,000	53,600,000	

Results framework

COUNTRY: Congo, Democratic Republic of
DRC Transport and Connectivity Support Project

Project Development Objectives(s)

The Project Development Objective (PDO) is to provide resilient, safe, and sustainable connectivity in and between selected provinces in Kasai region and Eastern part of DRC, and to increase the transparency of FONER, RVA, and the Regulatory Authority of Post, Telecommunications, and ICT.

Project Development Objective Indicators by Objectives/ Outcomes

Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
to provide resilient, safe, and sustainable connectivity, and to increase transparency							
Reduction in travel time in the project areas (Percentage)		0.00	20.00	30.00	40.00		50.00
Percentage of project infrastructure integrating climate-resilient adaptation measures (Percentage)		0.00	40.00	60.00	80.00		100.00
Increased broadband internet access as a percentage of the population in the project areas (percentage) (Percentage)		0.00	20.00	25.00	30.00		35.00
Share of new subscribers who are women (Percentage) (Percentage)		0.00					35.00
Percentage of project roads designed with at least 3-star IRAP rating (percentage) (Percentage)		0.00					100.00

Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
to provide resilient, safe, and sustainable connectivity, and to increase transparency							
Increase in the number of fiscal years when FONER accountability documents are publicly disclosed as a result of the project (Number)		0.00	1.00	2.00	3.00	4.00	5.00
Increase in the number of fiscal years when RVA accountability documents are publicly disclosed as a result of the project (Number)		0.00	1.00	2.00	3.00	4.00	5.00
Percentage of overloaded trucks along the targeted roads unloading excess charges (Percentage)		0.00	95.00				100.00
Increase in the number of fiscal years when the Regulatory Authority of Post, Telecommunications, and ICT accountability documents are publicly disclosed as a result of the project (Number)		0.00	1.00	2.00	3.00	4.00	5.00
Number of people that benefit from improved access to sustainable transport infrastructure and services (Number (Thousand))		0.00					To be determined
of which are isolated or conflict-affected (Number (Thousand))		0.00					300.00

Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	Intermediate Targets			End Target
			1	2	3	
Sectoral governance for improved connectivity						
Fully operational road safety database (Yes/No)		No				Yes
Completion of a climate vulnerability assessment of the targeted roads and airports (Yes/No)		No				Yes
Transport and digital connectivity improvement program						
Roads constructed (CRI, Kilometers)		0.00	110.00	220.00	330.00	440.00
Roads constructed - rural (CRI, Kilometers)		0.00				440.00
Roads constructed - non-rural (CRI, Kilometers)		0.00				0.00
Length of fiber optic deployed (Kilometers) (Kilometers)		0.00	110.00	220.00	330.00	440.00
Action: This indicator has been Marked for Deletion						
Number of water wells rehabilitated, repaired, or replaced (Number)		0.00	25.00	50.00	75.00	100.00
Length of ducts installed (Kilometers) (Kilometers)		0.00	110.00	220.00	330.00	440.00
Establishment of digital services leveraging the underlying broadband infrastructure (Yes/No)		No				Yes
Action: This indicator has been Marked for Deletion						
Reduction in incidents at Goma airport (Percentage)		0.00				50.00
Environment and social measures						

Indicator Name	PBC	Baseline	Intermediate Targets			End Target
			1	2	3	
Surface of afforested zone along the targeted roads (Hectare(Ha))		0.00	1,200.00	1,800.00	2,400.00	3,000.00
Adoption of cleaner emission standards for imported vehicle and cleaner fuel standards for DRC (Yes/No)		No				Yes
Share of GRM complaints and consultation feedback addressed within GRM risk timeline (Percentage)		0.00	100.00	100.00	100.00	100.00
Number of women with improved incomes due to improved skills and training received through the project gender empowerment activities (Number)		0.00	1,100.00	2,200.00	3,300.00	4,400.00