
LOAN NUMBER 9677-SC

Loan Agreement

(Seychelles Solid Waste Management Project)

between

REPUBLIC OF SEYCHELLES

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

LOAN AGREEMENT

AGREEMENT dated as of the Signature Date between REPUBLIC OF SEYCHELLES (“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 five million Dollars (USD 5,000,000), as such amount may be converted from time to time through a Currency Conversion (“Loan”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section III of Schedule 2 to this Agreement.
- 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 January 15 and July 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 — PROJECT

- 3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall carry out the Project in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — TERMINATION

- 4.01. For purposes of Section 9.05 (b) of the General Conditions, the date on which the obligations of the Borrower 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 Borrower's Representative is its minister responsible for finance, national planning and trade.

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

(a) the Borrower's address is:

P.O. Box 313
Liberty House
Victoria, Mahè
Republic of Seychelles; and

(b) the Borrower's Electronic Address is:

Facsimile:	E-mail:
248-432 5161	minister@finance.gov.sc

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:	Facsimile:
248423(MCI) or 64145(MCI)	1-202-477-6391

AGREED as of the Signature Date.

REPUBLIC OF SEYCHELLES

By Naadir Hassan

Authorized Representative

Name: Naadir Hassan

Title: Minister

Date: 21-Jun-2024

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

By Idah Z. Pswarayi-Riddihough

Authorized Representative

Name: Idah Z. Pswarayi-Riddihough

Title: Country Director for Mozambique, Madagascar,

Date: 17-Jun-2024

SCHEDULE 1

Project Description

The objective of the Project is to enhance the financial and environmental performance of Solid Waste Management (SWM) in Seychelles.

The Project consists of the following parts:

Part 1: Strengthening Operations and Increasing Disposal Capacity at Providence Landfill

Supporting the rehabilitation of the Providence landfill, through: (a) the design and construction of a new sanitary landfill cell including technical design and civil works, preparation of subgrade, installation of the geosynthetics and leachate collection layer; (b) installation of an environmental monitoring system, including *inter alia*, groundwater wells, landfill gas management, and upgrade of the leachate collection system; (c) upgrade of the existing designated area within the footprint of the landfill for waste recycling and diversion, including green waste, scrap metal, tires, construction, demolition debris; and (d) carrying out of landfill activities, including *inter alia*, waste compaction, airspace utilization, daily placement and/or cover of waste, monitoring of environmental compliance, improved weight at entrance tracking system for trucks.

Part 2: Institutional Strengthening to improve Solid Waste Management and to Promote Circularity

Supporting the Borrower's national plans to improve the overall sustainable management of waste and promote circularity in Seychelles, through:

- (a) carrying out a mapping of existing recycling, resource recovery, and circularity activities on the islands of Mahé, Praslin and La Digue, and supporting the drafting of policy interventions and amendments to existing regulations to promote recycling, resource recovery and circularity;
- (b) carrying out an assessment of state of extended producer responsibility for imports of plastics at the national level, and providing recommendations on improvements, including through technical assistance on the drafting of legislation and regulations, in close collaboration with private operators, with an emphasis on women-led micro-small and medium enterprises;
- (c) providing consultancy services for the development of national strategies to enhance circularity in the fisheries and tourism sectors;
- (d) carrying out a review of the environmental permitting function to strengthen the capacity of environmental monitoring of licensed facilities;
- (e) supporting a financial sustainability study of the SWM sector to: (i) identify potential operational efficiencies across the value chain, including litter management, collection, transport, recycling; (ii) optimize ongoing operations to increase performance and reduce recurrent costs, through *inter alia*, consolidation of contracts, transport routes, location of collection points; (iii) identify potential sources of revenue from SWM activities; and (iv) develop an operational model for LWMA to ensure the financial sustainability of its operating costs in the medium to long term;

- (f) capacity building of LWMA and other relevant Project stakeholders, including through technical assistance and Training in landfill management, contract management and supervision, and the development of operation and management plans; and
- (g) supporting education and communication campaigns to promote behavioral change in support of more sustainable solid waste management practices and circularity.

Part 3: Project Management

Facilitating the Project Implementation Unit and LWMA, as the case may be, for Project implementation, administration, management, monitoring and evaluation, environment and social standards, maintenance of a Grievance Mechanism.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. Ministry of Agriculture, Climate Change and Environment (“MACCE”)

The Borrower shall vest in the Ministry of Agriculture, Climate Change and Environment (“MACCE”) the overall responsibility for the implementation of the Project and shall take all actions, including the provision of funding, personnel, and other necessary resources, to enable the Borrower’s ministries and agencies involved in the Project to perform their functions and obligations, in accordance with the provision of this Agreement and the Project Implementation Manual.

2. Project Implementation Unit

The Borrower shall establish not later than thirty (30) days after the Effective Date, and thereafter maintain within MACCE throughout the Project implementation period, a Project implementation unit (the “PIU”); with composition, mandate and resources satisfactory to the Bank as further detailed in the Project Implementation Manual, including the obligation to:

- (a) maintain competent staff in adequate numbers and qualification, including a Project manager and a Project coordinator. In addition, no later than thirty (30) days after the Effective Date or such later date as agreed by the Bank, the PIU shall recruit and/or appoint, as the case may be, and thereafter maintain, a procurement officer and an environmental and social specialist; all with adequate experience, qualification and terms of reference acceptable to the Bank; and
- (b) be responsible for day-to-day coordination of the Project activities, including:
 - (i) carrying out Project financial management and procurement activities;
 - (ii) monitoring and evaluating Project activities and preparing Project progress reports and monitoring and evaluation reports; (iii) ensuring compliance with the Environmental and Social Commitment Plan (“ESCP”) and Environmental and Social Standards for Project activities; and (iv) coordinating with other stakeholders, including, *inter alia*, the Project Steering Committee and LWMA.

3. Ministry of Finance, National Planning and Trade (“MoF”)

Notwithstanding the provisions of paragraphs 1 and 2 above, the Borrower shall no later than one (1) month after the Effective Date, or such later date as agreed with the Bank, recruit/appoint and thereafter maintain within MoF, competent staff in adequate numbers and with terms of reference, qualifications and experience acceptable to the Bank, including a senior Project accountant and an assistant Project accountant, to be responsible for the financial management aspects of the Project, in accordance with the Project Implementation Manual.

4. Steering Committee

The Borrower shall maintain for the duration of the Project implementation, the Steering Committee, headed by MACCE, to ensure strategic guidance and overall oversight for the Project; with regular meetings, composition and *modus operandi* further detailed in the Project Implementation Manual. To this end, the Borrower shall ensure that the Steering Committee is responsible for endorsing the Annual Work Plans and Budget for the Project, as well as validating updated versions of the Project Implementation Manual.

B. Cooperation Agreement

1. No later than one (1) month after the Effective Date, or such later date as agreed by the Bank, the Borrower shall enter into, and thereafter maintain throughout Project implementation, a Cooperation Agreement with LWMA, in terms and conditions satisfactory to the Bank, for the provision of technical support to the PIU in the preparation of the terms of reference and technical specifications for procurement contracts, monitoring and reporting of procurement activities, and to carry out such other tasks as may be defined from time to time in the PIM, all in accordance with the provisions of this Agreement and as further set out in the PIM.
2. The Borrower shall exercise its rights and carry out its obligations under the Cooperation Agreement in such a manner as to protect the interests of the Borrower and the Bank in order to accomplish the purposes of the Project. Except as the Bank shall otherwise agree, the Borrower shall not amend, assign, abrogate, suspend, terminate, waive or fail to enforce the Cooperation Agreement or any of its provisions.

C. Project Implementation Manual

1. The Borrower shall, no later than one (1) month after the effective Date, or such later date as agreed by the Bank, prepare and adopt a manual acceptable to the Bank (“Project Implementation Manual” or “PIM”); containing, *inter alia*, detailed arrangements and procedures for: (a) implementation arrangements; (b) administrative aspects; (c) procurement; (d) a financial management manual including detailed financial management aspects; (e) Environmental and Social Standards; (f) Annual Work Plans and Budgets (including sources of funding for Project activities) and financial management and accounting; (g) monitoring and evaluation; (h) codes of conduct, citizen engagement and grievance resolution mechanisms; and (i) such other technical, administrative, fiduciary or coordination arrangements as may be necessary to ensure effective Project implementation.
2. The Borrower: (a) shall ensure that the Project is carried out in accordance with the PIM; and (b) shall not assign, amend, abrogate, or waive the PIM or any provision thereof, without the prior written agreement of the Bank.
3. Notwithstanding the foregoing, in the event of any inconsistency between the provisions of the PIM, and those of this Agreement, the provisions of this Agreement shall prevail.

D. Environmental and Social Standards

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.
6. The Borrower shall 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 Borrower shall, not later than December 15 in each calendar year during Project implementation, prepare and furnish to the Bank, a program of Project activities proposed for implementation in the following calendar year, including: (a) a detailed timetable for the sequencing and implementation of said activities; and (b) the types of expenditures required for such activities, a proposed financing plan and a budget (“Annual Work Plan and Budget” or “AWPB”).
2. The Borrower shall afford the Bank a reasonable opportunity to exchange views with the Borrower on such proposed annual work plan and budget and thereafter ensure that the Project is implemented in accordance with such annual work plan and budget as shall have been approved by the Bank.
3. The Borrower shall ensure that the Project is implemented in accordance with the AWPB, provided, however, that in the event of any conflict between the AWPB and the provisions of this Agreement, the provisions of this Agreement shall prevail.

Section II. Project Monitoring Reporting and Evaluation

The Borrower shall furnish to the Bank each Project Report not later than one (1) month after the end of each calendar semester, covering the calendar semester.

Section III. Withdrawal of Loan Proceeds

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 Borrower may withdraw the proceeds of the Loan to: (a) finance Eligible Expenditures; (b) pay: (i) the Front-end Fee; and (ii) each Interest Rate Cap or Interest Rate Collar premium; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Loan Allocated (expressed in USD)	Percentage of Expenditures to be financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consulting services, Training and Operating Costs for the Project	4,987,500	100%
(2) Front-end Fee	12,500	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
(3) Interest Rate Cap or Interest Rate Collar premium	0	Amount due pursuant to Section 4.05 (c) of the General Conditions
TOTAL AMOUNT	5,000,000	

B. Withdrawal Conditions; Withdrawal Period.

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made: for payments made prior to the Signature Date
2. The Closing Date is November 30, 2028.

SCHEDULE 3

Disbursement-Linked Amortization Repayment Schedule – Level Repayment

1. Subject to the provisions of Section 3.03 of the General Conditions, the Borrower shall repay each Disbursed Amount in semiannual installments payable on each July 15 and January 15, the first installment to be payable on the 11th Payment Date following the Maturity Fixing Date for the Disbursed Amount and the last installment to be payable on the 30th Payment Date following the Maturity Fixing Date for the Disbursed Amount. Each installment shall be equal to one-twentieth (1/20) of the Disbursed Amount.
2. If any one or more installments of principal of the Disbursed Amount would, pursuant to the provisions of paragraph 1 of this Schedule, be payable after January 15, 2044, the Borrower shall also pay on such date the aggregate amount of all such installments.
3. The Bank shall notify the Loan Parties of the amortization schedule for each Disbursed Amount promptly after the Maturity Fixing Date for the Disbursed Amount.

APPENDIX

Definitions

1. “Annual Work Plan and Budget” or “AWPB” means the program of Project activities and budget referred to in Section I.E of Schedule 2 to this Agreement.
2. “Anti-Corruption Guidelines” means, for purposes of paragraph 6 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.
3. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
4. “Cooperation Agreement” means the agreement between the Borrower and LWMA for the LWMA to support with the technical aspects of the Project, as the same may be amended from time to time with the Bank’s prior written approval.
5. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated April 10, 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 Borrower shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
6. “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 Bank.
7. “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).
8. “LWMA” means the Landscape and Waste Management Agency, a public entity duly established and operating pursuant to Section 12(2) of the Borrower’s Environment Protection Regulations dated March 2, 2009, with whom the Borrower will enter into a

- Cooperation Agreement in accordance with Section I.B of Schedule 2 to this Agreement, or its legal successor acceptable to the Bank.
9. “MACCE” means the Borrower’s Ministry of Agriculture, Climate Change and Environment, or its legal successor.
 10. “MoF” means the Borrower’s Ministry of Finance, National Planning and Trade, or its legal successor.
 11. “Operating Costs” means the reasonable incremental expenses incurred by the Borrower or LWMA on account of Project implementation, including costs related to office equipment and supplies, vehicle operation and maintenance, shipping costs, office rentals, communication and insurance costs, office administration costs, bank charges, utilities, transport costs, travel, *per diem* and supervision costs, as well as salaries of contracted employees, but excluding salaries of officials of the Borrower’s civil service and regular staff of LWMA.
 12. “Procurement Regulations” means, for purposes of paragraph 85 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated September 2023.
 13. “Project Implementation Manual” or “PIM” means the manual referred to in Section I.B of Schedule 2 to this Agreement, as adopted by the Borrower for the implementation of the Project, and as the same may be amended from time to time with the prior written approval of the Bank.
 14. “Project Implementation Unit” or “PIU” means the unit within MACCE in charge of the day-to-day management, implementation, monitoring and evaluation of the Project, as referred to in Section I.A.2 of Schedule 2 to this Project and as further detailed in the Project Implementation Manual; or any successor thereto acceptable to the Bank.
 15. “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.
 16. “Steering Committee” means the committee established and operating under MACCE for the overall oversight of the Project, as referred to in Section I.A.4 of Schedule 2 to this Project and as further detailed in the Project Implementation Manual; or any successor thereto acceptable to the Bank.
 17. “SWM” means solid waste management.
 18. “Training” means the reasonable cost of training under the Project, based on Annual Work Plans and Budgets, including costs associated with seminars, workshops, travel and subsistence costs for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials and other activities directly related to course preparation and implementation, all based on periodic budgets acceptable to the Bank (but excluding costs of consulting services).