



**LOAN NUMBER 9686-CG**

# **Loan Agreement**

**(Strengthening Electricity Services Project)**

**between**

**REPUBLIC OF CONGO**

**and**

**INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT**



## **LOAN NUMBER 9686-CG**

### **LOAN AGREEMENT**

AGREEMENT dated as of the Signature Date between REPUBLIC OF CONGO (“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 ninety-two million eight hundred thousand Euros (EUR 92,800,000) (“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 Borrower elects to apply the Automatic Rate Fixing Conversion to the Loan. Accordingly, without limitation upon the provisions of Article IV of the General Conditions and unless otherwise notified by the Borrower to the Bank in accordance with the provisions of the Conversion Guidelines, the interest rate basis applicable to the aggregate principal amount of the Loan withdrawn during each consecutive Interest Period shall be converted from the initial Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread for the full maturity of such amount in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.

- 2.07. The Payment Dates are May 15 and November 15 in each year.
- 2.08. 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 Part 3 of the Project and cause the Project Implementing Entity to carry out Part 1 and Part 2 of the Project; all in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

**ARTICLE IV — REMEDIES OF THE BANK**

- 4.01. The Additional Event of Suspension consists of the following, namely that the Regulatory Framework has been amended, suspended, abrogated, repealed, or waived so as to affect materially and adversely, in the opinion of the Bank, the ability of the Borrower to perform any of its obligations under this Agreement.
- 4.02. The Additional Event of Acceleration consists of the following, namely that the event specified in Section 4.01 of this Agreement occurs and is continuing for a period of sixty (60) days after notice of the event has been given by the Bank to the Borrower.

**ARTICLE V — EFFECTIVENESS; TERMINATION**

- 5.01. The Additional Conditions of Effectiveness consist of the following:
  - (a) the Borrower has established the Project Implementation Unit and recruited its key staff, including: (i) a Project coordinator; (ii) a financial management specialist; (iii) an accountant; and (iv) a procurement specialist; each on the basis of terms of reference, qualification, and experience acceptable to the Bank; and the Borrower has acquired and installed an accounting software; all in accordance with the provisions of Section I.A.3 of Schedule 2 to this Agreement; and
  - (b) the Borrower has prepared and adopted the Project Implementation Manual, in terms and conditions acceptable to the Bank.
- 5.02. The Effectiveness Deadline is the date one hundred twenty (120) days after the Signature Date.
- 5.03. 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 VI — REPRESENTATIVE; ADDRESSES**

6.01. The Borrower's Representative is its minister in charge of finance.

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

(a) the Borrower's address is:

Ministry of Economy and Finance  
Boulevard Denis Sassou Nguesso  
B.P.2083  
Brazzaville  
Republic of Congo; and

(b) the Borrower's Electronic Address is:

E-mail:

contact@finances.gouv.cg

6.03. 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 CONGO**

By

*Jean Baptiste ONDAYE*

\_\_\_\_\_  
**Authorized Representative**

**Name:** Jean Baptiste ONDAYE

**Title:** Minister of Economy and Finance

**Date:** 04-Jul-2024

**INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT**

By

*Cheick Kante*

\_\_\_\_\_  
**Authorized Representative**

**Name:** Cheick Fantamady Kante

**Title:** Country Director

**Date:** 03-Jul-2024

## SCHEDULE 1

### Project Description

The objective of the Project is to improve the quality of electricity service delivery, improve the performance of the distribution and retail segment, and improve access to electricity.

The Project consists of the following parts:

#### **Part 1: Strengthening the Electricity Transmission System**

Part 1.1: Construction, rehabilitation and upgrade of transmission substations through, *inter alia*:

- (a) provision of supplies, installation, rehabilitation, replacement, and/or upgrade of equipment, including, *inter alia*, static voltage compensators, power transformers, switchgears, protection and control equipment, replacement of high and medium voltage circuit breakers and voltage cells of feeders; rehabilitation of busbars; uninterruptible power systems, battery banks; and upgrade of control and protection equipment in Selected Transmission Substations between Pointe-Noire to Brazzaville;
- (b) provision of supply and installation of network disconnection and automatic load shedding protection equipment at Selected Transmission Substations to restore supply-demand balance and avoiding frequent blackouts, as well as to optimize calibration of protection scheme of interconnection with network of neighboring countries; and
- (c) carrying out an assessment of the current condition of, and thereafter updating of, the protection system of transmission network to improve performance and efficiency in operation and maintenance of the transmission system.

Part 1.2: Rehabilitation of selected segments of the 220 kV line connecting Pointe-Noire to Brazzaville, through, *inter alia*:

- (a) replacement of insulators in the line between Ngoyo and Mboundi substations;
- (b) replacement of conductors, construction of Cat B1 towers; and rehabilitation of existing towers between Dolisie and Loudima; and
- (c) installation of replacement angle pieces and protective equipment, including fencing, for towers between Kinkala and Brazzaville.

Part 1.3: Upgrade of the existing supervisory control and data acquisition (“SCADA”) system and other systems of the National Dispatch Center (“NDC”), through, *inter alia*:

- (a) refurbishment and upgrade of the SCADA automation system of the NDC to overcome its current deficiencies and limitations;
- (b) upgrade of the substation automation systems of transmission substations in the national level to optimize their operations and control; and
- (c) integration of the automation systems of the transmission substations in the national level.

**Part 2: Improving the Operational Performance of the Electricity Distribution and Retail Segment**

Part 2.1: Densification, rehabilitation, and upgrade of the distribution and public lighting network, through *inter alia*:

- (a) extensions of LV networks in Brazzaville and Pointe-Noire to connect households in the area and regularize electricity supply;
- (b) rehabilitation of existing MV/LV distribution substations in Brazzaville, Pointe Noire, Bouenza, Niari, Plateaux Cuvette, and Sangha/Likouala, to increase transformation capacity, improve condition of switchgear and control and protection equipment;
- (c) installation of new MV/LV substations in Brazzaville and Pointe Noire, as well as reconductoring of MV and LV lines to address cases of overloads and other situations compromising supply;
- (d) replacing public lighting luminaries in Brazzaville and Pointe Noire with high-efficiency LEDs to support to the optimization of electricity and public lighting consumption; and
- (e) provision of equipment, including vehicles, to improve performance and efficiency in operation and maintenance of the distribution system.

Part 2.2: Improving commercial performance of E2C by sustainably reducing non-technical losses in electricity supply through, *inter alia*:

- (a) implementation of a Revenue Protection Program to monitor the consumption of Large Customers through Advanced Metering Infrastructure; and
- (b) pre-identification of unmetered public and private customers, supply and installation of smart meters to the identified customers.

Part 2.3: Incorporation of management information systems, including (a) an outages management system to optimize management of outages; (b) a geographical information system; (c) a commercial management system to enable efficient and accountable execution of commercial processes and activities; and (d) an enterprise resource management system; all to improve efficiency, transparency, and accountability of operations of E2C in key business areas.

### **Part 3: Technical Assistance and Project Management**

Part 3.1: Provision of technical assistance and institutional capacity building to Project institutions to improve sector performance, including on, *inter alia*:

- (a) support to the implementation of operations concession (“affermage”) model for management and operations of the electricity distribution and retail segment;
- (b) preparation of a roadmap for the creation of a performing state-owned operating transmission and system operation company;
- (c) (i) preparation of a national electrification system to achieve universal access to electricity service; (ii) support for updating distribution standards to incorporate least cost technologies for network design and construction allowing to comply with applicable quality standards; and (iii) support for the update of the least cost generation and transmission expansion plan; to strengthen the power sector planning capacity; and
- (d) carrying out of technical design studies to prepare calls for offers to priority contracts; to improve power system operations to prepare for the supply and installation of static compensators under component; and to prepare an inventory for smart meter consumption points in support of Part 2.

Part 3.2: Provision of technical assistance and institutional support to MEH, LCDE, and water and sanitation stakeholders for a diagnostic analysis of the performance of the water and sanitation sector and for defining a reform roadmap through, *inter alia*:

- (a) carrying out a diagnostic and preparing an improvement action plan on LCDE’s operational performance;
- (b) assessing reform options to restructure the water and sanitation sector for expansion of access to water supply and sanitation services and improved service delivery, including a comparative analysis of energy and water sectors for the preparation of recommendations; and
- (c) supporting the development of a geographic information system for network management and definition of pressure zoning areas to develop



non-revenue water reduction plans, quantify the potential for energy efficiency improvement.

Part 3.3: Project Management and Capacity Building

- (a) Support to the PIU and the Project Implementing Entity for the carrying out of the Project;
- (b) Capacity building of Project institutions and electricity sector stakeholders; and
- (c) Support to the preparation of the Environmental and Social Management Plans of the Project.

**Part 4: Contingent Emergency Response**

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

## SCHEDULE 2

### Project Execution

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements

1. The Borrower shall vest overall responsibility for Project implementation in its Ministry of Energy and Hydraulics (“MEH”) and shall take all actions including the provision of funding, personnel and other resources necessary to enable the Borrower’s ministries involved in the Project, and the Project Implementing Entity, to perform their functions, in collaboration with, *inter alia*, the Borrower’s Ministry of Planning, Statistics and Regional Integration (“MPSIR”), and Ministry of Economy and Finance (“MEF”), and in accordance with the provisions of this Agreement, the Cooperation Agreement and the Project Implementation Manual.

##### 2. Steering Committee

The Borrower shall, no later than three (3) months after the Effective Date, or such later date as agreed by the Bank, establish and maintain at all times during Project implementation, a high-level inter-ministerial steering committee (the “Steering Committee”), with a structure, functions, and responsibilities acceptable to the Bank, which shall be responsible for overall Project oversight and strategic guidance and approving Annual Work Plans and Budgets. The Steering Committee shall be chaired by a representative of MPSIR, and shall include, *inter alia*, representatives from MEF, MEH, and the Borrower’s other ministries, entities and agencies involved in the Project. To this end, the Steering Committee shall meet at least annually.

##### 3. Project Implementation Unit

(a) The Borrower shall create and, thereafter, maintain at all times during the Project implementation period, a Project Implementation Unit (“PIU”) within MEH, with composition, mandate, staffing and resources decided by the Borrower and satisfactory to the Bank.

(b) Without limitation on the provisions of sub-paragraph (a) above, the PIU shall have responsibility for Project implementation, management and day-to-day coordination of the Project activities, including *inter alia*: (i) the coordination, monitoring, evaluation, reporting and communication of the Project; (ii) planning and implementation of the Project; (iii) fiduciary management (*i.e.*, financial and procurement management) of the Project; (iv) ensuring compliance with social and environmental

safeguards aspects of the Project; (v) supervision, monitoring and evaluation; and (vi) preparing Annual Work Plans and Budgets.

- (c) To this end, the Borrower, through the PIU, shall retain at all times during Project implementation, *inter alia*, the following staff, each with terms of reference, qualifications and experience satisfactory to the Bank: (i) a Project coordinator; (ii) a procurement specialist; (iii) an accountant; (iv) a financial management specialist.
- (d) The Borrower, through the PIU, shall recruit and retain at all times during Project implementation, not later than three (3) months after the Effective Date, or such later date as agreed by the Bank, (i) a monitoring and evaluation specialist; (ii) an environmental specialist; and (iii) a social specialist; all with terms of reference, qualifications and experience satisfactory to the Bank.

## **B. Cooperation Agreement**

1. To facilitate the carrying out of Part 1 and Part 2 of the Project (the “PIE Respective Parts of the Project”), the Borrower, through MEH shall enter into a cooperation agreement with the Project Implementing Entity (“PIE”), under terms and conditions approved by the Bank (“Cooperation Agreement”), which shall include the following:
  - (a) the obligation of PIE to maintain, throughout Project implementation adequate staffing and personnel for the implementation of the Project, as further detailed in the Project Implementation Manual;
  - (b) the obligation of PIE to carry out the PIE Respective Parts of the Project with due diligence and efficiency, in conformity with appropriate administrative, economic, engineering, managerial, environmental, social and technical standards and practices, including but not limited to Anti-Corruption Guidelines, Procurement Regulations, Environmental and Social Standards, and provide promptly as needed, the facilities, services and other resources required for the implementation of the PIE Respective Parts of the Project;
  - (c) the obligation of PIE to: (i) exchange views with the Borrower, and the Bank with regard to the progress of the Project, and the performance of its obligations under Cooperation Agreement; and (ii) assist the Borrower in complying with its obligations referred to in Section II of this Schedule;
  - (d) the obligation of PIE to promptly inform the Borrower and the Bank of any condition which interferes or threatens to interfere with the progress of the PIE Respective Parts of the Project; and

(e) the right of the Borrower to take remedial actions against PIE, in case PIE shall have failed to comply with any of its obligations under the PIE Cooperation Agreement, which actions may include, *inter alia*, the partial or total suspension and/or cancellation or refund of all or any part of the proceeds of the Loan transferred to PIE pursuant to the Cooperation Agreement (as the case may be).

2. The Borrower shall exercise its rights under the Cooperation Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree, the Borrower shall not assign, amend, abrogate or waive the Cooperation Agreement or any of its provisions.

**C. Project Implementation Manual**

1. The Borrower shall, and shall cause the Project Implementing Entity to, carry out the Project in accordance with the Project Implementation Manual (“PIM”); containing, *inter alia*, detailed arrangements and procedures for: (i) implementation arrangements; (ii) administrative aspects; (iii) procurement and financial management; (iv) Environmental and Social Standards; (v) Annual Work Plans and Budget (including sources of funding for Project activities) and financial management and accounting; (vi) Verification Protocol for PBCs; (vii) monitoring and evaluation; (viii) codes of conduct, citizen engagement, and grievance resolution mechanisms; and (ix) such other technical, administrative, fiduciary, or coordination arrangements as may be necessary to ensure effective Project implementation.
2. The Borrower: (i) shall ensure that the Project is carried out in accordance with the PIM; and (ii) 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, and shall cause the Project Implementing Entity to, ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.
2. Without limitation upon paragraph 1 above, the Borrower shall, and shall cause the Project Implementing Entity to, ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a

manner acceptable to the Bank. To this end, the Borrower shall, and shall cause the Project Implementing Entity to, ensure that:

- (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;
  - (b) sufficient funds are available to cover the costs of implementing the ESCP;
  - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
  - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended, or waived, except as the 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, and shall cause the Project Implementing Entity to, 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, including, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
5. The Borrower shall, and shall cause the Project Implementing Entity to, establish, publicize, maintain, and operate an accessible Grievance Mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and

take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Bank.

6. The Borrower shall, and shall cause the Project Implementing Entity to, ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, subcontractors and supervising entities to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment, and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

**E. Contingent Emergency Response**

1. In order to ensure the proper implementation of contingent emergency response activities under Part 4 of the Project (“Contingent Emergency Response Part”), the Borrower shall ensure that:
  - (a) a manual (“CERC Manual”) is prepared and adopted in form and substance acceptable to the Bank, which shall set forth detailed implementation arrangements for the Contingent Emergency Response Part, including: (i) any structures or institutional arrangements for coordinating and implementing the Contingent Emergency Response Part; (ii) specific activities which may be included in the Contingent Emergency Response Part, Eligible Expenditures required therefor (“Emergency Expenditures”), and any procedures for such inclusion; (iii) financial management arrangements for the Contingent Emergency Response Part; (iv) procurement methods and procedures for the Contingent Emergency Response Part; (v) documentation required for withdrawals of the Loan amounts to finance Emergency Expenditures; (vi) a description of the environmental and social assessment and management arrangements for the Contingent Emergency Response Part; and (vii) a template Emergency Action Plan;
  - (b) the Emergency Action Plan is prepared and adopted in form and substance acceptable to the Bank;
  - (c) the Contingent Emergency Response Part is carried out in accordance with the CERC Manual and the Emergency Action Plan; provided, however, that in the event of any inconsistency between the provisions of the CERC Manual or the Emergency Action Plan and this Agreement, the provisions of this Agreement shall prevail; and

- (d) neither the CERC Manual nor the Emergency Action Plan is amended, suspended, abrogated, repealed, or waived without the prior written approval by the Bank.
2. The Borrower shall ensure that the structures and arrangements referred to in the CERC Manual are maintained throughout the implementation of the Contingent Emergency Response Part, with adequate staff and resources satisfactory to Bank.
  3. The Borrower shall ensure that:
    - (a) the environmental and social instruments required for the Contingent Emergency Response Part are prepared, disclosed, and adopted in accordance with the CERC Manual and the ESCP, and in form and substance acceptable to the Bank; and
    - (b) the Contingent Emergency Response Part is carried out in accordance with the environmental and social instruments in a manner acceptable to the Bank.
  4. Activities under the Contingent Emergency Response Part shall be undertaken only after an Eligible Crisis or Emergency has occurred.

**F. Verification of Achievement of PBCs**

For purposes of implementing PBCs 1, 2 and 3 under Part 2 of the Project, the Borrower shall, through the PIU, carry out in accordance with the Verification Protocol, a verification process for the achievement of PBCs which are set forth in the table in Schedule 4 to this Agreement, and furnish to the Bank, not later than sixty (60) days after the verification of compliance of said PBCs, reports on the results of said verification of compliance process of such scope and in such detail as the Bank shall reasonably request.

**G. 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 work plan 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 accepted 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) repay the Preparation Advance; and (c) 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:

<b>Category</b>	<b>Amount of the Loan Allocated (expressed in EUR)</b>	<b>Percentage of Expenditures to be financed (inclusive of Taxes)</b>
(1) MEH: Goods, works, non-consulting services, consulting services, and Operating Costs for Part 3 of the Project	8,816,000	100%
(2) E2C: Goods, works, non-consulting services, consulting services, and Operating Costs for Part 1 of the Project	39,440,000	100%



(3) Eligible PBC Expenditures under Part 2 of the Project	41,992,000	Up to 100% as reflected in Section III.B1(c) of Schedule 2 to this Agreement and as allocated to each PBC as set forth in Schedule 4 (or such lesser percentage as represents the total Eligible PBC Expenditures paid by the Borrower)
(4) Emergency Expenditures under Part 4 of the Project	0	100%
(5) Refund of the Preparation Advance	2,320,000	Amount payable pursuant to Section 2.07(a) of the General Conditions
(6) Front-end Fee	232,000	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07(b) of the General Conditions
(7) Interest Rate Cap or Interest Rate Collar premium		Amount due pursuant to Section 4.05(c) of the General Conditions
<b>TOTAL AMOUNT</b>	92,800,000	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:
  - (a) for payments made prior to the Signature Date; or
  - (b) for payments under Category (2) and Category (3), unless and until the Borrower has signed the Cooperation Agreement with the Project Implementing Entity, in accordance with Section I.B of Schedule 2 to this Agreement; or
  - (c) for payments under Category (3) with respect to each PBC, as set forth in Schedule 4, for which a withdrawal request has been submitted, until and unless the Borrower has also submitted evidence satisfactory to the Bank,
    - (i) that payments for Eligible PBC Expenditures have been made; and

- (ii) confirming the achievement of the respective PBC or PBCs; all in accordance and in compliance with the procedures set forth in the PIM and the Verification Protocol; or
  - (d) for Emergency Expenditures under Category (4), unless and until all of the following conditions have been met in respect of said expenditures:
    - (i) (A) the Borrower has determined that an Eligible Crisis or Emergency has occurred, and has furnished to the Bank a request to withdraw the Loan amounts under Category (4); and (B) the Bank has agreed with such determination, accepted said request and notified the Borrower thereof; and
    - (ii) the Borrower has adopted the CERC Manual and Emergency Action Plan, in form and substance acceptable to the Bank.
2. Notwithstanding the provisions of Part B.1(b) of this Section, if any of the PBCs referred to in Schedule 4 to this Agreement has 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 PBC to any other PBC or any other Category; and/or (b) cancel all or a portion of the proceeds of the Loan then allocated to said PBC.
3. The Closing Date is June 30, 2028.

**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”).

**Level Principal Repayments**

<b>Principal Payment Date</b>	<b>Installment Share</b>
On each May 15 and November 15 Beginning May 15, 2029 through May 15, 2058	1.67%
On November 15, 2058	1.47%

**SCHEDULE 4****Performance-Based Conditions**

The following table specifies the Performance-Based Conditions (“PBCs”) and the allocation of the amounts of the Loan to each PBC under Category 3:

<b>PBC</b>	<b>Description of achievement</b>	<b>Amount of the Loan Allocated (in EUR)</b>
<b>PBC#1: Signature and implementation of operations concession (affermage) for distribution of electricity</b>	PBC#1.1: The Borrower signs the operations concession contract with the private operations concessionaire (affermier)	14,384,000
	PBC#1.2: The Borrower causes E2C to transfer physical assets of electricity distribution network and personnel from E2C to the concessionaire	9,280,000
<b>PBC#2: Reforms to facilitate increase in number of electricity connections</b>	PBC#2: Council of Ministers approves decree defining the Borrower’s National Electrification Strategy, including policy on connection fees for new electricity connections based on affordability and eliminating barriers to increase connectivity rate.	11,136,000
<b>PBC#3: Reforms to facilitate increase in number of electricity connections</b>	PBC#3: Council of Ministers approves a decree introducing a social tariff driven by affordability considerations for households consuming less than 50 kWh/month	7,192,000
<b>TOTAL</b>		<b>41,992,000</b>

**APPENDIX****Definitions**

1. “Advanced Metering Infrastructure” means a two-way communication system (composed by hardware and software) to collect detailed metering information throughout the assets of an electric utility.
2. “Annual Work Plan and Budget”, “AWPB” or “Annual Work Plans and Budget” means any or all of the work plans prepared annually by the Borrower in accordance with the provisions of Section I.G of Schedule 2 to this Agreement, as further detailed in the Project Implementation Manual and as approved by the Bank.
3. “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.
4. “Cat B1” means the B1 type power transmission line tower.
5. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
6. “CERC Manual” means the manual referred to in Section I.E of Schedule 2 to this Agreement, as such manual may be updated from time to time with the agreement of the Bank, and which is an integral part of the Project Implementation Manual.
7. “Contingent Emergency Response Part” means any activity or activities to be carried out under Part 4 of the Project to respond to an Eligible Crisis or Emergency.
8. “Cooperation Agreement” means the agreement to be signed between the Borrower and the Project Implementing Entity in order for the latter to implement Part 1 and Part 2 of the Project, as the same may be amended from time to time with the prior written approval of the Bank.
9. “Council of Ministers” means the Borrower’s executive council of ministers, or its legal successor.
10. “E2C” means *Energie Electrique du Congo*, the Borrower’s national electricity power company, established and operating by virtue of the Borrower’s Decree No. 295-2018, or its legal successor acceptable to the Bank.

11. “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.
12. “Eligible PBC Expenditures” means the Eligible Expenditures incurred by the Borrower for the implementation of Part 2 of the Project, including goods, works, consulting services, non-consulting services, Operating Costs, and Training.
13. “Emergency Action Plan” means the plan referred to in Section I.E.1 of Schedule 2 to this Agreement, detailing the activities, budget, implementation plan, and monitoring and evaluation arrangements, to respond to the Eligible Crisis or Emergency.
14. “Emergency Expenditures” means the eligible expenditures set forth in the CERC Manual referred to in Section I.E.1(a) of Schedule 2 to this Agreement and required for the Contingent Emergency Response Part.
15. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated March, 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.
16. “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.
17. “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).

18. “Grievance Mechanism” means the grievance mechanism established, publicized, maintained and operated by the Borrower to receive and facilitate the resolution of concerns and grievances in relation to the Project, in accordance with the ESCP.
19. “Large Customers” means electricity consumers in the territory of the Borrower supplied with HV and/or MV and/or LV user with a monthly consumption above 1,000 kWh.
20. “LCDE” means *La Congolaise des Eaux SA*, the Borrower’s private water utility company, established and operating by virtue of its Articles of Association dated August 24, 2018, or its legal successor acceptable to the Bank.
21. “LED” means light-emitting diode.
22. “LV” means low voltage.
23. “Ministry of Energy and Hydraulics” or “MEH” means the Borrower’s ministry responsible for energy and water, or its legal successor.
24. “Ministry of Planning, Statistics and Regional Integration” or “MPSIR” means the Borrower’s ministry in charge of planning, statistics and regional integration or its legal successor.
25. “MV” means medium voltage.
26. “National Dispatch Center” or “NDC” means the organizational unit within E2C responsible for energy and electric operation of interconnected power system of the Borrower, or its successor acceptable to the Bank.
27. “National Electrification Strategy” or “NES” means the strategy to be developed by the Borrower, which includes the policy on connection fees for new electricity connections based on affordability and eliminating barriers to increase connectivity rate, for the purposes of PBC#2.
28. “Operating Costs” means the reasonable incremental operating expenses incurred by the Borrower on account of the implementation of the Activities, management and monitoring including on account of operation and maintenance costs of office and office equipment; office supplies, staff costs, vehicles, travel and supervision costs, *per diem*, but excluding the salaries and indemnities of officials and public servants of the Borrower’s civil service.
29. “Performance-Based Condition” or “PBC” means a performance-based condition referred to in Schedule 4 to this Agreement; and “PBCs” means more than one PBC.

30. “PIE Respective Parts of the Project” means Part 1 and Part 2 of the Project as described in Schedule 1 to this Agreement.
31. “Preparation Advance” means the advance referred to in Section 2.07(a) of the General Conditions, granted by the Bank to the Borrower pursuant to the letter agreement signed on behalf of the Bank on January 19, 2024 and on behalf of the Borrower on January 22, 2024.
32. “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.
33. “Project Implementation Manual” or “PIM” means the manual referred to in Section I.C 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.
34. “Project Implementation Unit” or “PIU” means the unit referred to in Section I.A.3 of Schedule 2 to this Agreement.
35. “Project Implementing Entity” or “PIE” means E2C, or such other legal entity selected in accordance with the Regulatory Framework and acceptable to the Bank, with whom the Borrower shall enter into a Cooperation Agreement in terms and conditions satisfactory to the Bank.
36. “Regulatory Framework” means the Borrower’s Electricity Law No. 14-2003 dated April 10, 2003; Decree No. 2023-1739 dated October 12, 2023, authorizing the electricity concession via affermage, the decree to be issued by the Council of Ministers pursuant to Decree No. 2023-1739 regarding the awarding of the electricity concession to an eligible concessionaire, and any subsequent related implementing decisions, as applicable.
37. “Revenue Protection Program” means the program to systematically monitor consumption of selected customers of E2C using Advanced Metering Infrastructure under Part 2.2 of the Project.
38. “SCADA” means supervisory control and data acquisition.
39. “Selected Transmission Substations” means transmissions substations located on the transport network, in particular Loudima, Ngoyo, Mindouli, Mbouono, Bouenza 2, Nkayi, and other transmission substations acceptable to the Bank.
40. “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.



41. “Steering Committee” means the committee established and operating for the technical advice and Project implementation oversight, in accordance with Section I.A.2 of Schedule 2 to this Agreement, or any successor thereto acceptable to the Bank.
42. “Training” means expenditures for Project related study tours, tuitions, stipends, scholarships, training courses, seminars, workshops, and other training activities not included under goods or service providers’ contracts, including costs of training materials, space and equipment rental, travel, and *per diem* costs of trainees and trainers but excluding consulting services of trainers.
43. “Verification Protocol” means the PBC verification process referred to in Section I.F of Schedule 2 to this Agreement and set forth in the PIM.