
CREDIT NUMBER 73390-ZR

Financing Agreement

**(Water Supply and Sanitation Access Program (“PASEA”) Project
Phase 1 under the Multiphase Programmatic Approach)**

between

DEMOCRATIC REPUBLIC OF CONGO

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

CREDIT NUMBER 73390-ZR

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between DEMOCRATIC REPUBLIC OF CONGO (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient a credit, which is deemed as Concessional Financing for purposes of the General Conditions, in the amount of four hundred million Dollar (USD400,000,000) (variously, “Credit” and “Financing”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section III of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.
- 2.04. The Payment Dates are February 15 and August 15 in each year.
- 2.05. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.06. The Payment Currency is Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project and the MPA Program. To this end, the Recipient shall, through the *Ministère des Ressources Hydrauliques et Électricité* (MRHE), ensure that the Project is carried out in accordance with the provisions of Article V of the General Conditions, Schedule 2 to this Agreement and the Provincial Subsidiary Agreements.

ARTICLE IV — EFFECTIVENESS; TERMINATION

- 4.01. The Additional Conditions of Effectiveness consist of the following:
- (a) the Project Implementation Manual (“PIM”) and the PBC Manual have been prepared and adopted under terms and conditions and in a manner acceptable to the Association;
 - (b) the Provincial Subsidiary Agreements have been executed in form and substance acceptable to the Association, and are in full force and effect; and
 - (c) the Memorandum of Understanding has been executed in form and substance acceptable to the Association and is in full force and effect.
- 4.02. The Effectiveness Deadline is the date one hundred twenty (120) days after the Signature Date.
- 4.03. For purposes of Section 10.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. The Recipient’s Representative is the minister in charge of finance.
- 5.02. For purposes of Section 11.01 of the General Conditions:
- (a) the Recipient’s address is:

Ministry of Finance
Boulevard du 30 Juin - Commune de la Gombe
Kinshasa 1
Democratic Republic of Congo; and
 - (b) the Recipient’s Electronic Address is:

E-mail:

cabinet@finances.gouv.cd

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

(a) the Association's address is:

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

(b) the Association's Electronic Address is:

Telex:	Facsimile:
248423 (MCI)	1-202-477-6391

AGREED as of the Signature Date.

DEMOCRATIC REPUBLIC OF CONGO

By



Authorized Representative

Name: Nicolas Kazadi Kadima
Title: Finance minister
Date: 04-Sep-2023

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Albert zeufack
Title: Director of Operations
Date: 23-Aug-2023

SCHEDULE 1

Project Description

The objectives of the Project are to increase access to basic drinking water supply and sanitation services in selected provinces of the Recipient, and to strengthen the capacity of the public and private sector for drinking water supply and sanitation service delivery.

The Project constitutes Phase 1 of the MPA Program, and consists of the following parts:

Part 1. Increasing Access to and Capacities for Drinking Water Supply Service Delivery

1.1. Increasing Access to Drinking Water Supply in Rural and Peri-urban Areas

Development of infrastructure and related preparation, construction, and supervision costs to increase access to drinking water services, including:

- (i) Construction and operation of new water supply systems, and expansion and rehabilitation of existing water supply systems, including water source intake (boreholes), production facilities, storage/reservoirs, conveyance and distribution networks, including water kiosks, household connections, bulk and pre-paid meters.
- (ii) Construction and installation of solar energy systems with back-up generator sets to power water systems where no electricity grids are available.
- (iii) Carrying out of technical, environmental and social preparation studies, preparation of design and bidding documents, construction supervision of water supply systems, as well as implementation support for resettlement action plans.
- (iv) Operating Costs and motorbikes for *Office National d'Hydraulique Rural* (ONHR) staff at the local level to support the technical baseline and preparation studies, construction supervision, establishment of and technical assistance to local not-for-profit water operators (*Association d'Usagers de Réseau d'Eau Potable* (ASUREPs)) for water system operation.

1.2. Improving Performance of Private and Not-for-profit Water Operators

Implementation of market-enabling measures to increase private sector involvement, technical assistance, capacity building, procurement of equipment for ASUREPs, and results-based financing to extend service perimeters, including *inter alia*:

- (i) Provision of transaction advisory services to the *Régies Provinciales de Service Public de l'Eau* for structuring and supporting the transaction of PPP contracts.
- (ii) Provision of Results-based Grants to eligible local private and not-for-profit water operators to expand services in unserved areas and implement energy saving measures (“Water Subprojects”).
- (iii) Provision of technical assistance to the CEP-O and the PPIUs through the selection and hiring of a Results-based Grants Management Entity.
- (iv) System maintenance, office, and ICT equipment for and technical assistance to eligible local private and not-for-profit water operators on technical, commercial, and financial aspects, business plan development, technical designs for Water Subprojects, and environmental and social management during implementation.
- (v) Provision of technical assistance and reasonable Operating Costs of the *Agence Nationale d'Électrification et des Services Énergétiques en milieux Rural et Péri-Urbain* (ANSER) to prepare standard solar pump maintenance contracts, and training for local solar energy enterprises to deliver maintenance services to water operators.

1.3. Strengthening Public Institutions and Capacities for Drinking Water Services

Support for policy development and institutional strengthening of public entities, support to establish and strengthen *Régies Provinciales de Service Public de l'Eau* to carry out their planning, oversight and monitoring functions, and support for professional and higher education and internship programs for water professionals, including *inter alia*:

- (i) Development and adoption of a national water supply policy, including an implementation plan, including institutional, legal and human resources analysis and provision of technical assistance to clarify and strengthen roles and responsibilities pertaining to rural water supply (PBC#1);
- (ii) The provision of technical assistance for the establishment and strengthening of *Régies Provinciales de Service Public de l'Eau*, including the development and, as the case may be, the adoption of a provincial

governance framework for managing service delegation contracts, the establishment of a water supply maintenance and development fund, the installation and implementation of a management information system (“MIS”) for water operators, and the preparation of related operational manuals (PBC#2).

- (iii) Office, ICT equipment, pump maintenance equipment, vehicles, training and workshops, and Operating Costs for *Régies Provinciales de Service Public de l’Eau*, and the construction or rehabilitation of office buildings in the Participating Provinces (PBC#2).
- (iv) Development of a medium-term financing plan and implementation of national platform to monitor the implementation of the national water, sanitation and hygiene program (PNEHA 2020-2030) led by the *Comité Nationale d’Action, de l’Eau, de l’Hygiène et de l’Assainissement* (CNAEHA) in collaboration with all relevant ministries.
- (v) Provision of technical assistance to design and implement public communication campaigns and citizen engagement activities to support sustainability of water supply systems.
- (vi) Provision of reasonable Operating Costs and technical assistance to *Autorité de Régulation du Service Public de l’Eau* (ARSPE) to develop and implement economic regulatory instruments and governance framework for overseeing water operator performance.
- (vii) Provision of technical assistance and equipment to *Régie de Distribution d’Eau* (REGIDESO) directorates, including their operations in small towns in the Participating Provinces to prepare and implement performance improvement plan(s), including non-revenue water, energy efficiency, commercial and financial improvements.
- (viii) Provision of technical assistance for the preparation of feasibility and design studies for scaling-up water supply investments in Participating Provinces.
- (ix) Provision of technical assistance and reasonable Operating Costs to the *Direction Ressources en Eau* (DRE) and *Office Congolais des Eaux* (OCE) for the preparation of groundwater studies, the delineation of sub-basins, the preparation of climate-informed sub-basin management plans, and the installation of hydromet and groundwater monitoring points in the Kasai sub-basin.
- (x) Design, development and implementation of vocational training courses and higher education programs, including internship programs,

specifically encouraging females, concerning solar-pumped water systems in collaboration with identified education institutes; including the constructions and/or rehabilitation of training centers (including purchase and installation of relevant equipment).

- (xi) The provision of Stipends to enable student participation in the vocational and higher education and internship programs; and the provision of technical assistance to manage the Stipends under the education program through the selection and hiring of a Stipends Management Entity.

Part 2. Increasing Access to and Capacities for Sanitation Service Delivery

2.1. Increasing Access to Sanitation and Hygiene in Rural and Peri-urban Areas

Implementation of the Recipient's roadmap to end open defecation in rural and (peri-) urban areas, including *inter alia*:

- (i) Support in rural villages to become ODF (Open Defecation Free) through the provision of materials to communities for durable latrine construction (PBC#3).
- (ii) Support in urban neighborhoods to become ODF through the provision of sanitation subsidies for eligible households in the form of E-Vouchers for toilet installation through participating sanitation installation enterprises in the E-Voucher scheme.
- (iii) Provision of technical assistance to CEP-O and the PPIUs for monitoring of materials, supervision of latrine construction in rural villages, implementation of ODF celebrations and ODF Incentive Payments for community mobilisers and facilitation teams (PBC#3).
- (iv) Provision of technical assistance to CEP-O and the PPIUs for managing the E-voucher scheme through the selection and hiring of an E-Vouchers Management Entity.
- (v) Provision of technical assistance to participating sanitation installation enterprises in the E-Voucher scheme, related to latrine construction, environmental and social management, inventory and financial management, and marketing.
- (vi) Operating Costs and motorbikes for facilitation teams of *Direction d'Assainissement (DAS)* and the *Direction Hygiène et Salubrité Publique (DHSP)*, including support for ODF Certification Committees.
- (vii) Workshops and training related to ODF activities for local cadres, community mobilizers and local masons (rural) for latrine construction.

- (viii) Carrying out of feasibility studies, detailed design, associated environmental and social preparatory studies for the construction of fecal sludge treatment plants, supervision costs of construction and implementation support for resettlement action plans.
- (ix) Civil works for fecal sludge treatment plants, including works required for producing reusable products.

2.2. Improving Water, Sanitation and Hygiene (WASH) in Institutions

Improvement of access to WASH facilities in selected schools and health centers in the Participating Provinces with support to adequate operation and maintenance (O&M) arrangements for sustainability of WASH facilities and empowering girls to effectively manage their menstruation, including *inter alia*:

- (i) Technical design and supervision costs for the construction and/or rehabilitation of water supply connections (or water points) toilet and handwashing facilities for students and teachers in selected schools; technical design and supervision costs for the construction and/or rehabilitation of water supply connections (or water points), toilet and handwashing facilities, placenta pits and incinerators for selected health centers (PBC#4).
- (ii) New construction and/or rehabilitation of the WASH facilities in schools (PBC#4), including the dismantling of obsolete facilities if beyond rehabilitation or repair.
- (iii) New construction and/or rehabilitation of the WASH facilities in health centers, including the dismantling of obsolete facilities if beyond rehabilitation or repair.
- (iv) Training and workshops for O&M committees for WASH facilities in schools and health centers to ensure sustainable O&M (PBC#4).
- (v) Carrying out of studies and research to develop recommendations to improve the sustainable operation of WASH facilities in schools and health centers, and provision of technical assistance to support implementation of priority recommendations, including improving monitoring and feedback systems.
- (vi) Provision of technical assistance, training and Operating Costs for the *Ministère d' Education Primaire, Secondaire et Tertiaire (MEPST)- Direction National de Construction (DNAC)*, the *Ministère de Santé Publique, Hygiène et Prévention (MSPHP) - Direction Établissement de Soins et Partenariat (DESP)* and the *MEPST- Direction Education Vie*

Courante (DEVCO) to supervise construction, set-up O&M committees, and support menstrual hygiene management activities and monitoring, and the supply of reusable hygienic pads under Part 2.2.

2.3. Developing the Private Sector for Sanitation and Hygiene

Implementation of market enabling and catalyzing measures to support capacity development of the private sector for the delivery of sanitation and hygiene products and services for peri-urban and rural growth centers, including *inter alia*:

- (i) Provision of technical assistance for the development of marketing and behavior change communication strategy and tools, and the development of business models and supply chains.
- (ii) Provision of Catalytic Grants to sanitation and hygiene enterprises to introduce new products and services (*inter alia*, for the manufacturing and sales of plastic toilet pans, new models for toilet construction, sludge emptying services, manufacturing and sales of reusable hygiene pads) (“Sanitation or Hygiene Subprojects”).
- (iii) Provision of technical assistance to CEP-O for the design, management, and implementation monitoring of the Catalytic Grant program, including identification and selection of participating enterprises, business coaching and training, through the selection and hiring of a Catalytic Grants Management Entity.
- (iv) Purchase of sludge emptying vehicles and equipment for the Participating Provinces for usage by qualified sludge emptiers.
- (v) Training and workshops to support professionalization of sanitation enterprises in peri-urban sanitation, including for latrine construction and sludge emptying services.

2.4. Strengthening Public Institutions and Capacities for Sanitation Services

Support for policy development, institutional reforms and institutional strengthening of public entities at national, provincial and city level, and support for professional and higher education and internship programs for sanitation professionals, including:

- (i) Provision of technical assistance for the development and dissemination of implementation decrees (*mesure d'application*) for the foreseen Sanitation Law, including workshops (PBC#5).

- (ii) (a) Provision of technical assistance to Participating Provinces to develop provincial legislative and institutional framework for urban sanitation, regulations required to organize service delegation agreements for fecal sludge treatment plant operators, licensing/registration regime for private sludge emptiers; and (b) adoption of the institutional framework for urban sanitation at the provincial level (PBC#5).
- (iii) Provision of technical assistance to Target Cities to prepare city-wide inclusive sanitation (CWIS) plans, including a prioritized investment plan and support to implement accompanying measures (PBC#5).
- (iv) Carrying out of feasibility studies, designs and environmental and social studies for scaling-up future investments in (peri-) urban sanitation, as identified in the CWIS plans (PBC#5).
- (v) Training and workshops to support: (a) dissemination of the sanitation legal framework and (b) consultation and validation of the CWIS plans (PBC#5).
- (vi) Office equipment and ICT materials for the Targeted Cities-level sanitation departments to support the CWIS pilots (PBC#5).
- (vii) Provision of technical assistance to MEDD-DAS to develop a national rural sanitation MIS, and to support its implementation in the Participating Provinces for planning and regular MIS-based learning and reviews.
- (viii) Design, development and implementation of vocational training courses and higher education programs, including internship programs, specifically encouraging females, concerning sanitation and environmental engineering, in collaboration with identified education institutions, including the constructions and/or rehabilitation of training centers (including purchase and installation of relevant equipment).
- (ix) The provision of Stipends to enable students to participate in the professional and higher education and internship programs; and the provision of technical assistance to CEP-O to manage the Stipends under the education program through the selection and hiring of a Stipends Management Entity.

Part 3. Project Management, Learning and Scale-up

3.1 Project Management and Learning

Support to Project management for the implementation, coordination, monitoring and evaluation of the Project, learning activities and knowledge exchanges, capacity development for Project management through a young professional program, including *inter alia*:

- (i) Support for the operation of the CEP-O through the provision of technical assistance, training, goods, and financing of Operating Costs, including technical and financial audits.
- (ii) Support to relevant national entities with a key-role in the coordination and supervision of the Project and listed in the PIM through training, goods and financing of Operating Costs, including transport and communication allowances for assigned staff to the National Coordination Team.
- (iii) Support for the establishment and operation for the PPIUs in the Participating Provinces, through the provision of technical assistance, training, goods, and financing of Operating Costs.
- (iv) Support to relevant provincial entities with a key-role in the provincial coordination and supervision of the Project and listed in the PIM (but excluding the *Régie Provinciale de Public Service de l'Eau* of the Participating Provinces), through the provision of training, goods and financing of Operating Costs including transport and communication allowances for assigned staff to the Provincial Coordination Teams.
- (v) Establishment of a Project results monitoring platform, including geographic information system (GIS) and remote monitoring instruments and software applications to be used for evidence-based learning.
- (vi) Financing the costs associated with the operationalization of an accessible grievance redress mechanism (GRM) and costs for addressing GBV awareness and survivor support services and for implementing indigenous people plans.
- (vii) Learning exchanges among Participating Provinces and relevant knowledge exchanges abroad.
- (viii) Financing the costs associated with the design, implementation and monitoring of a young professional program for fiduciary, environmental, social and technical staff within PPIUs, including Stipends for selected

young professionals, and technical assistance to CEP-O through the selection and hiring of a Stipends Management Entity.

- (ix) Selection and hiring of the Verification Agent for the verification of the PBCs under the Project.
- (x) Acquisition of land and provision of cash compensation for resettlement related to the implementation of the relevant Project's site-specific resettlement action plans, as applicable.

3.2 Scale-up Phase 2

Preparation costs for phase 2 of the MPA Program, including financing of Operating Costs, purchase of vehicles, and selection and hiring of provincial coordinators and key staff in the PPIUs for the Phase 2 provinces, and the preparation studies (baseline, feasibility, technical, social and environmental) and consulting costs to prepare all environmental and social framework instruments for said subsequent phase.

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

National Program Steering Committee

1. The Recipient, through MRHE, shall, no later than ninety (90) days after the Effective Date, or such other date as agreed by the Association, establish and thereafter maintain throughout Project implementation, a national program steering committee (“National Program Steering Committee”), chaired by the minister of MRHE or by his/her representative and assisted by the general secretaries of MRHE, MEDD and MDR, with terms of reference, composition (including, *inter alia*, the participation of the Prime Minister’s office, the Recipient’s ministries in charge of finance, planning, health, education, and representatives of the relevant provincial governments), powers and responsibilities acceptable to the Association and defined in the PIM, to provide overall strategic guidance, approve the Annual Work and Budget Programs, and facilitate collaboration among the different Recipient’s ministries and agencies involved in the Project.

CEP-O

2. The Recipient, through MRHE, shall vest responsibility for overall Project coordination in the *Cellule d’Exécution des Projets-Eau* (CEP-O or “Project Coordination Unit”) under MRHE, including reporting, financial management, procurement of activities assigned to the national level, ensuring compliance with the environmental and social aspects of the Project and coordinate the implementation of all activities under the Project. To this end, the Recipient shall: (a) maintain, throughout Project implementation, the CEP-O, with functions, responsibilities and sufficient resources acceptable to the Association, and staffed with competent personnel in adequate numbers, with qualifications, experience, integrity and terms of reference satisfactory to the Association and as set forth in the PIM; and (b) strengthen CEP-O, as deemed necessary, with technical, fiduciary and/or environmental and social experts, including an additional expert with focus on sanitation, with qualifications, experience, integrity and terms of reference satisfactory to the Association and as set forth in the PIM.

National Coordination Team

3. The Recipient shall, no later than ninety (90) days after the Effective Date, or such other date as agreed by the Association, establish and thereafter maintain throughout Project implementation a National Coordination Team to assist CEP-O at the national level, and lead the implementation of Project activities under Part 1, 2 and 3 of the Project, with functions, responsibilities and sufficient resources acceptable to the Association, with terms of reference satisfactory to the Association and as set forth in the PIM.

Memorandum of Understanding and other coordination arrangements at the national level

4. The Recipient shall ensure that the Project is implemented in accordance with the Memorandum of Understanding. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Memorandum of Understanding, or any of their provisions. In case of any conflict between the terms of the Memorandum of Understanding and those of this Agreement, the terms and conditions of this Agreement shall prevail.

Provincial Steering Committees, PPIUs and Provincial Coordination Team

5. The Recipient shall cause each Participating Province to, no later than ninety (90) days after the Effective Date, or such other date as agreed by the Association, establish and thereafter maintain throughout Project implementation:
 - (a) a provincial steering committee (“Provincial Steering Committee”) for each Participating Province, chaired by the governor or his/her representative, with terms of reference, composition (including, *inter alia*, the participation of the *Régie Provinciale du Service Public de l’Eau*, ONHR and the deconcentrated administration of provincial ministries in charge of water supply, sanitation, planning, health, education and rural development), powers and responsibilities acceptable to the Association and defined in the PIM, to provide overall strategic guidance, approve the annual work and budget programs, and facilitate collaboration among the different ministries at the provincial level; and
 - (b) a Provincial Coordination Team for each Participating Province responsible for day-to-day support to the PPIU in the overall planning, implementation and monitoring of provincial level activities under Part 1, 2 and 3 of the Project, with functions, responsibilities and sufficient resources acceptable to the Association, with terms of reference satisfactory to the Association and as set forth in the PIM.

6. No later than sixty (60) days after the Effective Date, or such other date as agreed by the Association, the Recipient shall cause each Participating Province to establish and thereafter maintain throughout Project implementation a provincial project implementation unit (PPIU) for each Participating Province, under the governor's office, with functions, responsibilities (including for provincial coordination and reporting, financial management, environmental and social framework management, and procurement of provincial level activities across all Parts of the Project) and sufficient resources acceptable to the Association, and staffed with competent personnel in adequate numbers, with qualifications, experience, integrity and terms of reference satisfactory to the Association and as set forth in the PIM.

B. Provincial Subsidiary Agreements

1. For purposes of facilitating Project implementation at the provincial level, the Recipient shall make a portion of the proceeds of the Financing available to each of the Participating Provinces with territorial and administrative jurisdiction over the activities to be implemented pursuant to a subsidiary agreement (each, "Provincial Subsidiary Agreement") under terms and conditions acceptable to the Association and set forth in the PIM which shall include the obligation of each Participating Province to, through its PPIU, carry out the Project activities under its territorial and administrative jurisdiction, in accordance with the provisions set forth in this Agreement, including the PIM, the relevant environmental and social actions and instruments applicable to the Project activities under their responsibility as set forth in the ESCP, and the Anti-Corruption Guidelines . Except as the Association shall otherwise agree, the Recipient shall, and shall cause each of the Participating Provinces to, not assign, amend, abrogate or waive any Provincial Subsidiary Agreement, or any of its provisions. In case of any conflict between the terms of any Provincial Subsidiary Agreement and those of this Agreement, the terms and conditions of this Agreement shall prevail.

C. Project Implementation Manual and PBC Manual

1. The Recipient, through MRHE (through the CEP-O), shall:
 - (a) prepare and thereafter adopt a Project Implementation Manual (PIM), under terms and conditions acceptable to the Association;
 - (b) ensure that the Project is carried in accordance with the PIM under terms and conditions acceptable to the Association; and
 - (c) not assign, amend, abrogate, or waive the PIM or any of its provisions, without the prior written approval of the Association. In case of any conflict between the terms of any of the PIM and the terms of this Agreement, the terms of this Agreement shall prevail.

2. Without limitation to the generality of paragraph 1 above, for the purposes of carrying out the PBCs 1 to 5 set forth in Schedule 4 to this Agreement, the Recipient, through the MRHE (through the CEP-O), shall:
 - (a) prepare a manual acceptable to the Association (“PBC Manual”) and upon approval by the Association, integrate said PBC Manual as an annex to the PIM;
 - (b) implement the PBCs in accordance with the requirements set forth in the PBC Manual; and
 - (c) not assign, amend, abrogate or waive the PBC Manual or any of its provisions, except with the prior written approval of the Association. In case of any conflict between the terms of the PBC Manual and those of this Agreement, the terms of this Agreement shall prevail.

D. Results-based Grants, Catalytic Grants, E-Vouchers and Stipends

The Recipient, through MRHE (through the CEP-O), shall, prior to the provision of any Results-based Grant, Catalytic Grant, E-Voucher or Stipend:

- (a) prepare and thereafter adopt a Results-based Grants Manual, a Catalytic Grants Manual, an E-Vouchers Manual and a Stipend Manual, under terms and conditions acceptable to the Association;
- (b) implement or cause to implement each of the Results-based Grants under Part 1.2 (ii) of the Project, the Catalytic Grants under 2.3(ii) of the Project, the E-Vouchers under 2.1(ii) of the Project and the Stipends under Parts 1.3 (xi), 2.4 (ix) and 3.1 (viii), all in accordance with the Results-based Grants Manual, a Catalytic Grants Manual, E-Vouchers Manual, and Stipend Manual, respectively; and
- (c) not assign, amend, abrogate, or waive the Results-based Grants Manual, the Catalytic Grants Manual, the E-Vouchers Manual and the Stipend Manual without the prior written approval of the Association. In case of any conflict between the terms of said manuals and the terms of this Agreement, the terms of this Agreement shall prevail.

E. Implementation Agreements for the provision of Results-based Grants, Catalytic Grants, ODF Incentive Payments, E-Vouchers and Stipends

Results-based Grants under Part 1.2(ii) of the Project

1. For purposes of providing Results-based Grants under Part 1.2(ii) of the Project, the Recipient shall, through the CEP-O, upon selection of a Water Subproject pursuant to the criteria and procedures established in the Results-based Grants Manual and assisted by a Results-based Grants Management Entity selected and hired under terms of references and in a manner acceptable to the Association, make a Results-based Grant to an Eligible Water Operator pursuant to a results-based grant agreement (“Results-based Grant Agreement”) to be entered into by CEP-O and each Eligible Water Operator under terms and conditions approved by the Association, which shall include the following:
 - (a) Results-based Grants shall: (i) be made on a non-reimbursable basis; (ii) to finance a Water Subproject selected in accordance with the criteria and procedures acceptable to the Association and set forth in the Results-based Grant Manual; and (iii) not be used to finance any activities included in the list of Excluded Activities;
 - (b) the obligation of the Eligible Water Operator to: (i) implement the Water Subproject with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including the environmental and social requirements established under its respective ESMS in accordance with the ESCP; (ii) provide, promptly as needed, the resources required for the purpose; (iii) procure the goods and services to be financed out of the Results-based Grants in accordance with the provisions of this Agreement; (iv) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Water Subproject and the achievement of its objectives; (v) (A) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to the Water Subproject; and (B) at the Association’s or the Recipient’s request, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association; (vi) enable the Recipient and the Association to inspect the Water Subproject, its operation and any relevant records and documents; and (vii) prepare and furnish to the Recipient and the Association all such

information as the Recipient or the Association shall reasonably request relating to the foregoing; and

- (c) the right of the CEP-O to suspend, cancel or request a refund of the Results-based Grant or a portion thereof in case of the failure of the Eligible Water Operator to perform any of its obligations under the Results-based Grant Agreement.
2. The Recipient, through CEP-O, shall exercise its rights and carry out its obligations under each Results-based Grant Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Project. Except as the Association shall otherwise agree in writing, the Recipient shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, any Results-based Grant Agreement or any of its provisions.

Catalytic Grants under Part 2.3(ii) of the Project

3. For purposes of providing Catalytic Grants under Part 2.3(ii) of the Project, the Recipient shall, through the CEP-O, upon selection of a Sanitation or Hygiene Subproject pursuant to the criteria and procedures established in the Catalytic Grant Manual and assisted by a Catalytic Grants Management Entity selected and hired under terms of references and in a manner acceptable to the Association, make a Catalytic Grant to an Eligible Sanitation pursuant to a grant agreement (“Catalytic Grant Agreement”) to be entered into by the CEP-O and each Eligible Sanitation or Hygiene Enterprise under terms and conditions approved by the Association, which shall include the following:
- (a) Catalytic Grants shall: (i) be made on a non-reimbursable basis; (ii) to finance a Sanitation or Hygiene Subproject selected in accordance with the criteria and procedures acceptable to the Association and set forth in the Catalytic Grants Manual; and (iii) not be used to finance any activities included in the list of Excluded Activities;
 - (b) the obligation of the Eligible Sanitation or Hygiene Enterprise to:
 - (i) implement the Sanitation or Hygiene Subproject with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including the environmental and social requirements established under its respective ESMS in accordance with the ESCP;
 - (ii) provide, promptly as needed, the resources required for the purpose;
 - (iii) procure the goods and services to be financed out of the Catalytic Grants in accordance with the provisions of this Agreement;
 - (iv) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Sanitation or Hygiene Subproject and the achievement of its

objectives; (v) (A) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to the Sanitation or Hygiene Subproject; and (B) at the Association's or the Recipient's request, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association; (vi) enable the Recipient and the Association to inspect the Sanitation or Hygiene Subproject, its operation and any relevant records and documents; and (vii) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing; and

(c) the right of CEP-O to suspend, cancel or request a refund of the Catalytic Grant or a portion thereof in case of the failure of the Eligible Sanitation or Hygiene Enterprise to perform any of its obligations under the Catalytic Grant Agreement.

4. The Recipient, through CEP-O, shall exercise its rights and carry out its obligations under each Catalytic Grant Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Project. Except as the Association shall otherwise agree in writing, the Recipient shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, any Catalytic Grant Agreement or any of its provisions.

E-vouchers under Part 2.1(ii), Stipends under Parts 1.3(ix), 2.4(xi) and 3.1 (viii) and ODF Incentive Payments under Part 2.1(iii) of the Project

5. The Recipient, through CEP-O, shall ensure that adequate arrangements are in place for the provision of E-vouchers under Part 2.1(ii) of the Project, Stipends under Parts 1.3(ix), 2.4(xi), and 3.1(xiii) of the Project, and ODF Incentive Payments under Part 2.1(iii) of the Project, all under terms and conditions acceptable to the Association and set forth in the respective E-Voucher Manual (with the assistance of a E-Vouchers Management Entity, selected and hired under terms of references and in a manner acceptable to the Association), the Stipends Manual (with the assistance of a Stipends Management Entity, selected and hired under terms of references and in a manner acceptable to the Association) and the PIM.

F. Verification of Achievement of Performance Based Conditions

For purposes of implementing Performance Based Conditions (PBCs) 1 to 5, the Recipient, through the CEP-O, shall carry out a verification process through the

independent verification agency selected and hired under terms of references and in a manner acceptable to the Association, that the Association has confirmed in writing to be acceptable, as determined in the Verification Protocol (“Verification Agent”), for the verification of achievement of PBCs which are set forth in the table in Schedule 4 to this Agreement, and furnish to the Association, 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 Association shall reasonably request and in accordance with the PBC Manual.

G. Annual Work and Budget Programs

1. The Recipient, through CEP-O, with the support of PPIUs in connection with the Project activities at the provincial level, shall, not later than November 30 in each calendar year during Project implementation, prepare and furnish to the Association, 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 and Budget Program”).
2. The Recipient shall exchange views with and seek approval of the Association on each such proposed Annual Work and Budget Program and shall thereafter carry out such program of activities for such following year as shall have been agreed between the Recipient and the Association.
3. Only those activities which are included in an Annual Work and Budget Program shall be implemented. Except with the prior and written concurrence of the Association, the Annual Work and Budget Program shall not be waived, amended, or otherwise modified to include new activities.

H. Environmental and Social Standards

1. The Recipient shall, and shall cause the Participating Provinces to, ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.
2. Without limitation upon paragraph 1 above, the Recipient shall, and shall cause the Participating Provinces to, ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Association. To this end, the Recipient shall, and shall cause the Participating Provinces to, ensure that:
 - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;

- (b) sufficient funds are available to cover the costs of implementing the ESCP;
 - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
 - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Association shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. The Recipient shall, and shall cause the Participating Provinces to, ensure that:
- (a) all measures necessary are taken to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Association, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
 - (b) the Association is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
5. The Recipient shall, and shall cause the Participating Provinces to, establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Association.
6. The Recipient shall, and shall cause the Participating Provinces 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.

I. 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 Recipient shall ensure that:
 - (a) a manual (“CERC Manual”) is prepared and adopted in form and substance acceptable to the Association, which shall set forth detailed implementation arrangements for the Contingent Emergency Response Part, including: (i) any structures or institutional arrangements for coordinating and implementing the Contingent Emergency Response Part; (ii) specific activities which may be included in the Contingent Emergency Response Part, Eligible Expenditures required therefor (“Emergency Expenditures”), and any procedures for such inclusion; (iii) financial management arrangements for the Contingent Emergency Response Part; (iv) procurement methods and procedures for the Contingent Emergency Response Part; (v) documentation required for withdrawals of Financing amounts to finance Emergency Expenditures; (vi) a description of the environmental and social assessment and management arrangements for the Contingent Emergency Response Part; and (vii) a template Emergency Action Plan;
 - (b) the Emergency Action Plan is prepared and adopted in form and substance acceptable to the Association;
 - (c) the Emergency Response Part is carried out in accordance with the CERC Manual and the Emergency Action Plan; provided, however, that in the event of any inconsistency between the provisions of the CERC Manual or the Emergency Action Plan and this Agreement, the provisions of this Agreement shall prevail; and
 - (d) neither the CERC Manual or the Emergency Action Plan is amended, suspended, abrogated, repealed or waived without the prior written approval by the Association.
2. The Recipient shall ensure that the structures and arrangements referred to in the CERC Manual are maintained throughout the implementation of the Contingent Emergency Response Part, with adequate staff and resources satisfactory to Association.

3. The Recipient shall ensure that:
 - (a) the environmental and social instruments required for the Contingent Emergency Response Part are prepared, disclosed and adopted in accordance with the CERC Manual and the ESCP, and in form and substance acceptable to the Association; and
 - (b) the Contingent Emergency Response Part is carried out in accordance with the environmental and social instruments in a manner acceptable to the Association.
4. Activities under the Contingency Emergency Response Part shall be undertaken only after an Eligible Crisis or Emergency has occurred.

Section II. Project Monitoring, Reporting and Evaluation

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

Section III. Withdrawal of the Proceeds of the Financing

A. General

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

Category	Amount of the Financing 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 (other than for Eligible PBC Expenditures)	323,100,000	100%
(2) Eligible PBC Expenditures under Parts 1.3(i) to (iii), 2.1(i) (iii), 2.2(i) (ii) (iv) and 2.4(i) to (vi)	56,000,000	100%
(3) Results-based Grants under Part 1.2 (ii) of the Project	4,000,000	100%
(4) Catalytic Grants under 2.3(ii) of the Project	1,600,000	100%
(5) E-Vouchers under Part 2.1(ii) of the Project	6,200,000	100%
(6) Stipends under Parts 1.3(xi), 2.4 (ix) and 3.1 (viii) of the Project	2,100,000	100%
(7) Land Acquisition and Compensation under Part 3(x) of the Project	1,000,000	100%
(8) Emergency Expenditures under Part 4 of the Project	0	100%
(9) Refund of the PPA	6,000,000	
TOTAL AMOUNT	400,000,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:

- (a) for payments made prior to the Signature Date;
- (b) for payments under Category (2) with respect to each PBC, as set forth in Schedule 4, for which a withdrawal request has been submitted, until and unless the Recipient has also submitted:
 - (i) evidence, in form and substance satisfactory to the Association, of the Eligible PBC Expenditures paid, as presented in the IFR and verified pursuant to the PBC Manual; and
 - (ii) supporting documentation confirming the Recipient's achievement of the respective PBC or PBCs in form and substance satisfactory to the Association, as further elaborated in Schedule 4 and as set forth in the Verification Protocol, including, but not limited to, a report issued by the Verification Agent, confirming the achievement of the respective PBC or PBCs and the amount to be paid;
- (c) for payments under Category (3) until and unless the Association is satisfied that the following condition have been met, namely that the Result-based Grant Manual has been adopted by the Recipient in form and substance acceptable to the Association;
- (d) for payments under Category (4) until and unless the Association is satisfied that the following condition have been met, namely that the Catalytic Grant Manual has been adopted by the Recipient in form and substance acceptable to the Association;
- (e) for payments under Category (5) until and unless the Association is satisfied that the following condition have been met, namely that the E-Voucher Manual has been adopted by the Recipient in form and substance acceptable to the Association;
- (f) for payments under Category (6) until and unless the Association is satisfied that the following condition have been met, namely that the Stipends Manual has been adopted by the Recipient in form and substance acceptable to the Association;
- (g) for Emergency Expenditures under Category (8), unless and until all of the following conditions have been met in respect of said expenditures:
 - (i) (A) the Recipient has determined that an Eligible Crisis or Emergency has occurred, and has furnished to the Association a request to withdraw Financing amounts under Category (8); 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.

2. Notwithstanding the provisions of Part B.1(b) of this Section:

(a) The Recipient may request withdrawals of the Financing when the relevant Eligible PBC Expenditures have been incurred, but prior to the PBCs having been met, provided that the Recipient shall: (i) achieve such PBCs no later than the Closing Date; and (ii) submit to the Association evidence satisfactory to the Association of such PBCs having been met no later than the Disbursement Deadline Date; provided however, that if by the Disbursement Deadline Date, the Recipient has failed to provide the Association evidence satisfactory to the Association that one or more PBCs have been fully achieved, the Recipient shall, upon notice from the Association, promptly refund to the Association the Withdrawn Financing Balance related those expenditures under the Eligible PBC Expenditures under Category (2). Except as the Association may otherwise determine, the Association shall cancel all amounts refunded pursuant to this Section.

(b) If any of the PBCs referred to in Schedule 4 to this Agreement has not been achieved, the Association may, by notice to the Recipient: (i) reallocate all or a portion of the proceeds of the Financing then allocated to said PBC to any other PBC or any other Category; and/or (ii) cancel all or a portion of the proceeds of the Financing then allocated to said PBC.

3. The Closing Date is June 30, 2029.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each February 15 and August 15:	
commencing August 15, 2033, to and including February 15, 2073	1.25%

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to renumbered Section 3.03 (b) (originally numbered Section 3.05 (b)) of the General Conditions.

SCHEDULE 4

Performance Based Conditions

Title	PBC	Amount of the Credit Allocated in USD
PBC 1: Rural water mandates are clarified and strengthened through national water supply policy and implementation plan	PBC 1: A Prime Minister’s decree is published adopting a national water supply policy and implementation plan, for the strengthening of rural water mandates.	2,000,000
PBC 2: Four Participating Provinces execute their decentralized mandate for water supply through their respective Régies Provinciales de Service Public de l’Eau	PBC 2.1. Two <i>Régies Provinciales de Service Public de l’Eau</i> within the Participating Provinces are established and operational (Kasai and Kasai Central provinces).	2,000,000 (1,000,000 per Participating Province)
	PBC 2.2. Four provincial governments have adopted and published a provincial decree (arrêté) on the management arrangements for water supply contracts, including the establishment of an infrastructure maintenance and development fund, as per article 79 of the Water Law.	4,000,000 (1,000,000 per Participating Province)
	PBC 2.3. Four <i>Régies Provinciales de Service Public de l’Eau</i> have an operational MIS and have published the first annual monitoring report of performance of water operators under service delegation contracts.	2,000,000 (500,000 per Participating Province)
PBC 3: Households living in villages or neighborhoods that are certified as ODF	PBC 3: 240,000 households live in villages or neighborhoods that have been certified as ODF.	25,000,000 (from a baseline of 0, US\$104.1667 per household within a village or neighborhood certified ODF)
PBC 4: Water, sanitation and hygiene facilities in social institutions that are accessible, functional and well-maintained	PBC 4.1: 75% of WASH facilities handed over to local school/health center authorities that are functional, accessible and well maintained in the 1 st monitoring round, in a given year.	6,500,000 (US\$86,667 per percent point achieved)
	PBC 4.2. 75% of WASH facilities handed over to local school/health center authorities that are functional, accessible and well maintained in the 2 nd monitoring round, in a subsequent year.	6,500,000 (US\$86,667 per percent point achieved)

PBC 5: Four participating provinces have clarified the institutional and governance framework for liquid sanitation in urban areas	PBC 5.1. Four Participating Provinces have adopted and published a provincial decree (arrêté) that assigns institutional responsibilities for liquid sanitation in urban areas, including both on-site sanitation and networked sanitation.	8,000,000 (2,000,000 per Participating Province)
---	---	---

APPENDIX

Section I. Definitions

1. “*Agence Nationale d’Electrification et des Services Énergétiques en milieux Rural et Péri-Urbain*” and the acronym “ANSER” means the Recipient’s National Rural Electrification Agency established pursuant to Decree No. 16/2014 dated April 21, 2016.
2. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.
3. “*Association d’Usagers de Réseau d’Eau Potable*” and the acronym “ASUREP” means the Recipient’s community-based water operators that are not-for-profit organizations.
4. “*Autorité de Régulation du Service Public de l’Eau*” and the acronym “ARSPE” means the Recipient’s regulatory authority of the public water service, established and operating under the authority of the MRHE pursuant to Decree No. 22/04 dated March 1, 2022, or any successor thereto.
5. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
6. “Catalytic Grant” means a grant to be made out of the proceeds of the Financing to an Eligible Sanitation or Hygiene Enterprise for the carrying out of a Sanitation or Hygiene Subproject under Part 2.3(ii), in amount and under terms and conditions acceptable to the Association and defined in the Catalytic Grants Manual.
7. “Catalytic Grants Manual” means the manual for the provision of Catalytic Grants referred to in Section I.D of Schedule 2 to this Agreement containing, *inter alia*: (a) the procedure to obtain Catalytic Grants; (b) the terms and conditions to select a Catalytic Grants Management Entity; and (c) the criteria and procedures to select Sanitation or Hygiene Subprojects; as said manual may be updated from time to time with the Association’s prior written approval.
8. “Catalytic Grants Management Entity” means the entity selected and hired by the Recipient to receive assistance with the Catalytic Grants, under terms and conditions acceptable to the Association and defined in the Catalytic Grants Manual.

9. “*Cellule d’Exécution des Projets-Eau*” and the acronym “CEP-O” mean the Project implementation unit in MRHE established pursuant to MHRE Arrêté No. 005/CAB/MIN-RHE/OMM/RAB/ WEK/2022 dated February 15, 2022.
10. “CERC Manual” means the manual referred to in Section I.I of Schedule 2 to this Agreement, as such manual may be updated from time to time with the agreement of the Association, and which is an integral part of the Project Operations Manual.
11. “CWIS” means city-wide inclusive sanitation.
12. “*Comité National d’Action de l’Eau, de l’Hygiène et de l’Assainissement*” and the acronym “CNAEHA” means the Recipient’s national action committee for water supply, sanitation, and hygiene within the ministry in charge of planning established pursuant to Decree 15/039 dated December 14, 2015, or any successor thereto.
13. “Community Sanitation Support Agreements” means the agreements to be signed between the PPIUs and the Communities that indicate the responsibilities of the PPIUs and the Communities to become ODF and to transfer the ODF Incentive Payments to the community mobilizers under Part 2.1(iii), under terms and conditions acceptable to the Association and set forth in the PIM.
14. “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.
15. “*Direction d’Assainissement*” and the acronym “DAS” means the Recipient’s department in charge of sanitation within the ministry in charge of environment and sustainable development, or any successor thereto.
16. “*Direction Hygiène et Salubrité Publique*” and the acronym “DHSP” means the Recipient’s department in charge of hygiene and public health within the ministry in charge of public health, or any successor thereto.
17. “*Direction Ressources en Eau*” and the acronym “DRE” means the Recipient’s department in charge of water resources within the ministry in charge of environment and sustainable development, or any successor thereto.
18. “Disbursement Deadline Date” means the final date, established by the Association, for the receipt by the Association of applications for withdrawal and supporting documentation; according to the Disbursement Guidelines, this date may be the same as the Closing Date, or up to four months after the Closing Date.
19. “Eligible Crisis or Emergency” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.

20. “Eligible PBC Expenditures” means the following Eligible Expenditures: consulting services, non-consulting services, goods, Training, Operating Costs and ODF Incentive Payments incurred and paid by the Recipient in connection with the implementation of Parts 1.3(i) to (iii), 2.1(i), 2.1(iii), 2.2(i), 2.2(ii), 2.2(iv) , 2.4(i) to (vi) of the Project.
21. “Eligible Sanitation or Hygiene Enterprise” means any enterprise selected to receive a Catalytic Grant as referred to in Section I.E.3 of Schedule 2 to this Agreement, pursuant to the selection criteria and procedures set forth in the Catalytic Grants Manual.
22. “Eligible Water Operator” means a local private and not-for-profit water operator eligible to receive a Results-based Grant under Component 1.2(ii) pursuant to the selection criteria and procedures set forth in the Result-based Grant Manual.
23. “Emergency Action Plan” means the plan referred to in Section I.I 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.
24. “Emergency Expenditures” means any of the eligible expenditures set forth in the CERC Manual referred to in Section I.I of Schedule 2 to this Agreement and required for the Contingent Emergency Response Part.
25. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated May 5, 2023, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
26. “Environmental and Social Standards” or “ESSs” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental

and Social Standard 9: Financial Intermediaries”; and (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Association.

27. “E-Vouchers” means the subsidies to be made out of the proceeds of the Financing to eligible households for the activities under Part 2.1(ii) of the Project in an amount and under terms and conditions acceptable to the Association and defined in the E-Vouchers Manual.
28. “E-Vouchers Manual” means the Recipient’s manual referred to in section I.D of Schedule 2 to this Agreement, at all times in form and substance acceptable to the Association containing, *inter alia*: (a) the procedure to obtain E-vouchers; (b) the model Sanitation E-Voucher Scheme Agreements; and (c) the terms and conditions to select an E-Voucher Management Entity; as said manual may be amended from time to time with the Association’s prior written approval.
29. “E-Voucher Management Entity” means the entity selected and hired by the Recipient to receive assistance with the E-Vouchers, under terms and conditions acceptable to the Association and defined in the E-Vouchers Manual.
30. “GBV” means gender-based violence.
31. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018 (revised on August 1, 2020, April 1, 2021, and January 1, 2022), with the modifications set forth in Section II of this Appendix.
32. “ICT” means information, communication, technology.
33. “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 site-specific resettlement action plans, acceptable to the Association.
34. “Memorandum of Understanding” means the agreement defining the implementation agreements to be adopted between the Recipients and the implementation entities in charge of the implementation of the Project.
35. “*Ministère de Développement Rural*” and the acronym “MDR” means the Recipient’s ministry in charge of rural development, or any successor thereto.
36. “*Ministère d’Education Primaire, Secondaire et Tertiaire*” and the acronym “MEPST” means the Recipient’s ministry in charge of education, or any successor thereto.

37. “*Ministère de Sante Publique, Hygiène et Prévention*” and the acronym “MSPHP” means the Recipient’s ministry in charge of public health, hygiene and prevention, or any successor thereto.
38. “*Ministère de l’Environnement et Développement Durable*” and the acronym “MEDD” mean the Recipient’s ministry in charge of environment and sustainable development, or any successor thereto.
39. “*Ministère des Ressources Hydrauliques et Électricité*” and the acronym “MRHE” mean the Recipient’s ministry in charge of water resources and energy, or any successor thereto.
40. “MPA Program” means the multiphase programmatic approach program designed to increase access to sustainable drinking water supply and sanitation services in selected provinces of the Recipient.
41. “National Coordination Team” means the coordination team at the national level referred to under Section I.A.3 of Schedule 2 to this Agreement.
42. “National Program Steering Committee” means the Project’s steering committee referred to under Section I.A.1 of Schedule 2 to this Agreement.
43. “*Office Congolais des Eaux*” and the acronym “OCE” means the Recipient’s water authority, established and operating under the MEDD established and operating pursuant to Decree No. 22/06 dated March 1, 2022, or any successor thereto.
44. “*Office National d’Hydraulique Rurale*” and the acronym “ONHR” means the Recipient’s national office of rural hydraulics established and operating pursuant to Decree No. 20/009 dated April 1, 2020, or any successor thereto.
45. “ODF Certification Committees” means the committees formed by representatives of the local/provincial government (not involved in the sanitation activity themselves) and local NGOs that carry out the check and certification of the village.
46. “ODF Incentive Payments” means the incentive payments to be made out of the proceeds of the Financing to be provided to community mobilisers and facilitation teams for activities under Part 2.1(iii) in an amount and under terms and conditions acceptable to the Association and defined in the PIM.
47. “Operating Costs” means the reasonable costs for the incremental expenses incurred by (i) the Recipient’s entities involved in the implementation of Parts 1.1(iv), 1.2(v), 1.3(vi), 1.3(ix), 2.1(vi) and 2.2(vi) of the Project consisting of, *inter alia*: fuel, communication costs and *per diem* for travel linked to the implementation of the Project; and (ii) the CEP-O, PPIUs and implementing entities on account of the implementation, monitoring and evaluation of the Project

consisting of, *inter alia*: on account of vehicle operation and maintenance, communication and insurance costs, banking charges, office rental expenses, office (and office equipment) maintenance, utilities, document duplication/printing, consumables, travel cost and *per diem* for Project staff for travel linked to the implementation of the Project, salaries of contractual staff for the Project and reasonable communication and transport costs for Recipient's civil servants working on the Project (but excluding salaries of officials of the Recipient's civil service).

48. "Participating Province" means collectively the Participating Province of Kasai, the Participating Province of Kasai Central, the Participating Province of Kasai Oriental, and the Participating Province of Kwilu, and other Recipient's provinces as agreed between the Bank and the Recipient and listed in the PIM.
49. "PBC Manual" means the Recipient's manual referred to in section I.B.2(a) of Schedule 2 to this Agreement, to be attached as an annex to the PIM, at all times in form and substance acceptable to the Association containing, *inter alia*: (a) the list of PBCs, including the Verification Protocol; (b) the respective roles and responsibilities in the achievement of the PBCs; and (c) the accounting, financial management, auditing and reporting arrangements; as said manual may be amended from time to time with the Association's prior written consent.
50. "*Programme National Eau, Hygiene, Assainissement 2020-2030*" or "PNEHA 2020-2030" means the Recipient's program that lays out the Recipient's policy priorities and desired investments for water, hygiene and sanitation adopted on December 30, 2019.
51. "Performance Based Condition" or "PBC" means an indicator, set forth in Schedule 4 of this Agreement, comprised of a number of PBRs in respect of which partial or total failure to achieve may result in withdrawal of lesser amounts, withholding, reallocation, or cancellation of the Financing Proceeds allocated to such PBRs under Section III.A of Schedule 2 to this Agreement, pursuant to Section I.E of Schedule 2 to this Agreement.
52. "Project Implementation Manual" or "PIM" means the Recipient's manual acceptable to the Association, containing, *inter alia*: (i) specific provisions on detailed implementation arrangements for the carrying out of the Project including the roles and responsibilities of the different entities participating in Project implementation; (ii) the procurement, financial management and disbursement requirements thereof; (iii) the performance indicators; (iv) arrangements for preventing, detecting, reporting, investigation, remediation and otherwise addressing fraud and corruption, including compliance with the Anti-Corruption Guidelines (which shall be annexed thereto); (v) the procedures for ODF Incentive Payments; (vi) the model Community Sanitation Support Agreements; and (vii)

the PBC Manual; as said manual may be amended from time to time with the Association's prior written consent.

53. "Procurement Regulations" means, for purposes of paragraph 85 of the Appendix to the General Conditions, the "World Bank Procurement Regulations for IPF Borrowers", dated November 2020.
54. "Provincial Project Implementation Unit" or "PPIU" means the implementation unit within each Participating Province referred to in Section I.A.6 of Schedule 2 to this Agreement.
55. "Provincial Coordination Teams" means the coordination team within each Participating Province referred to in Section I.A.5.b of Schedule 2 to this Agreement.
56. "Provincial Steering Committees" means the steering committee within each Participating Province referred to in Section I.A.5.a of Schedule 2 to this Agreement.
57. "Provincial Subsidiary Agreement" means each and any of the agreements referred to in Section I.B of Schedule 2 to this Agreement.
58. "PPP" means public private partnership.
59. "*Régie de Distribution d'Eau*" and the acronym "REGIDESO" mean the Recipient's national water utility, established and operating pursuant to ordinance law No.66/460, dated August 25, 1966.
60. "*Régies Provinciales de Service Public de l'Eau*" means the Recipient's provincial units for water supply.
61. "Results-based Grant" means a grant to be made out of the proceeds of the Financing to an Eligible Water Operator for the carrying out of a Water Subproject under Part 1.2 (ii), in an amount and under terms and conditions acceptable to the Association and defined in the Results-based Grants Manual.
62. "Results-based Grants Manual" means the manual for the provision of Result-based Grants referred to in Section I.D of Schedule 2 to this Agreement, at all times in form and substance acceptable to the Association containing, *inter alia*: (a) the procedure to obtain Results-based Grants; (b) the terms and conditions to select a Results-based Grants Management Entity; (c) the criteria and procedures to select Water Subprojects; and (d) the procedures to select Eligible Water Operators; as said manual may be amended from time to time with the Association's prior written approval.

63. “Results-based Grants Management Entity” means the entity selected and hired by the Recipient to provide assistance with the Results-based Grants, under terms and conditions acceptable to the Association and defined in the Results-based Grants Manual.
64. “Sanitation or Hygiene Subprojects” means any investment to be carried out under Part 2.3(ii) of the Project, selected pursuant to the criteria and procedures established in the Catalytic Grants Manual.
65. “Stipends” means the incentives to students under Parts 1.3(ix), 2.4(xi) and 3.1(viii) of the Project as referred to under Section 1.E.5 of Schedule 2 to this Agreement, to be provided in accordance with the Stipends Manual.
66. “Stipends Manual” means the Recipient’s manual referred to in section I.D of Schedule 2 to this Agreement, at all times in form and substance acceptable to the Association containing, *inter alia*: (a) the procedure to obtain Stipends; and (b) the terms and conditions to select a Stipends Management Entity; as said manual may be amended from time to time with the Association’s prior written approval.
67. “Stipends Management Entity” means the entity selected and hired by the Recipient to provide assistance with the Stipends, under terms and conditions satisfactory to the Association, as referred to in Section I.E.5 of Schedule 2 to this Agreement.
68. “Signature Date” means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to “the date of the Financing Agreement” in the General Conditions.
69. “Targeted Cities” means the cities of Kananga, Kikwit, Mbuji Mayi and Tshikapa or other Recipient’s cities as agreed between the Bank and the Recipient and listed in the PIM.
70. “Training” means training and workshops, including purchase and publication of materials, rental of facilities, course fees, study tours and travel and subsistence for participants, trainees and trainers.
71. “Verification Agent” means the entity or entities listed in the Verification Protocol and referred to in Section I.C of Schedule 2 to this Agreement.
72. “Verification Protocol” means the Recipient’s protocol referred to in Section I.C of Schedule 2 to this Agreement, included in the PBC Manual, setting forth the basis and methodology for verification of the achievement of PBCs, as the same may be modified from time to time with the prior written agreement of the Association.

73. “Water Law” means the Recipient’s law No. 15/026 of December 31, 2015, on water.
74. “Water Subprojects” means any investment to be carried out under Part 1.2(ii) of the Project, selected pursuant to the criteria and procedures established in the Results-based Grants Manual.
75. “WASH” means water, sanitation and hygiene.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. Section 3.03 (Service Charge) and Section 3.04 (Interest Charge) are deleted in their entirety and the remaining Sections in Article III are renumbered accordingly, and all references to the Sections of Article III in any provision of the General Conditions are understood to be to such renumbered Sections.
2. Paragraph 66 (Interest Charge) in the Appendix is modified to read as follows:

“66. “Interest Charge” means the interest charge for the purpose of Section 3.07.
3. Paragraph 100 (Service Charge) in the Appendix is deleted in its entirety and the subsequent paragraphs are renumbered accordingly, and any reference to “Service Charge” or “Service Charges” in any provision of the General Conditions is deleted.