
CREDIT NUMBER 73340-ZR

Financing Agreement

(Forest and Savanna Restoration Investment Program)

between

DEMOCRATIC REPUBLIC OF CONGO

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

CREDIT NUMBER 73340-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 — CREDIT

- 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 two hundred ninety million United States Dollars (USD 290,000,000), 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 objective of the Project. To this end, the Recipient shall carry out the Project; all in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

- 4.01. The Additional Condition of Effectiveness consists of the following, namely that the PIM has been prepared and adopted by the Recipient in form and in a manner acceptable to the Association.
- 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 its 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

- (b) the Recipient's Electronic Address is:

Email:

cabfinances@minfinrdc.com

- 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: 17-Jul-2023

SCHEDULE 1

Project Description

The objective of the Project is to improve forested landscape management and enhance community livelihoods in Selected Project Areas.

The Project consists of the following components:

Component 1: Improved Land use Planning and Governance for Natural Resource Management in Selected Project Areas

1.1. Support to enhanced land use planning in Targeted Provinces, through:

(a) the preparation of studies on opportunities in key economic sectors considering impacts on ecosystem and long-term climate resilience, and on gender and other vulnerable groups; (b) the establishment or strengthening, as the case may be, of collaboration platforms to allow the dialogue of the different stakeholders and provincial-level advisory boards; (c) macro-zoning and other mapping tools to: (i) collect and analyze data on ecosystems; and (ii) identify land use and related pattern; (d) strengthening capacity of relevant ministries, the decentralized technical services and provincial governments for: (i) the registration of plans, stakeholder engagement and awareness activities; and (ii) the monitoring of the plans' implementation; and (e) the provision of technical assistance to inform national level policy developments on land use planning and natural resources governance.

1.2. Support to land use planning and tenure at the Village Level, through:

(a) the provision of capacity building activities and technical assistance for the development or strengthening of Local Development Committees in the participating villages; (b) the provision of training to other relevant local entities (including farmer associations, women's associations, groups supporting indigenous peoples and private sector); (c) the provision of technical assistance for the preparation of simple land use plans ("PSAT") including through consultation, free, prior and informed consent, multi-resource inventory, participatory zoning (including conflict prevention), and identification of land uses (all as further defined in the PIM); (d) the provision of technical assistance and Operating Costs to relevant authorities; (e) the provision of technical assistance to local implementing agencies on, *inter alia*, geo-localization, safeguards, gender to implement land use planning activities; and (f) the piloting in one of the Targeted Provinces of the community land administration tools identified under the Recipient's ongoing land reform, through, among others: (i) the establishment of a land commission with the Local Development Committees; (ii) the creation of a

land register held by the commission; and (iii) the preparation of a land charter for natural resources governance.

- 1.3. Capacity Building for Improved Environmental and Social Risk Management**, including: (a) the carrying out of institutional capacity assessments focusing on the gaps in environmental management in relevant Recipient's public institutions; (b) the development of comprehensive training programs adapted to promote good practices for the different sectors and institutions targeted; (c) the strengthening of select Recipient's universities to design and deliver special focus seminars to students and faculty members to be included in their curriculum; and (d) the development of manuals and guidelines on good practices to ensure due consideration of Indigenous Peoples in the development of national guidelines and instruments on environmental and social impact management.

Component 2: Development of Agroforestry and Forest Value Chains for Sustainable Landscape Management and Improved Livelihoods

2.1. Agroforestry and reforestation value chains development in degraded savanna areas

- (a) Support to smallholder farmer communities through, *inter alia*: (i) the provision of technical assistance for, *inter alia*, the establishment of nurseries for various trees' species, the development of woodlots, mechanical and/or cattle ploughing, structuring of producer and trader groups, contracting with manufacturers, and establishment of partnerships with agricultural small and medium-sized enterprises; (ii) Payment for Environmental Services ("PES") to support plantation and maintenance work; (iii) the provision of equipment for processing products and the establishment of storage facilities; (iv) the provision of farm and transport equipment; (v) the provision of training on, *inter alia*, financial education and household empowerment; (vi) awareness campaign on new methods to achieve sustainable change to the value chain while safeguarding food security; and (vii) research activities on agroforestry and reforestation systems.
- (b) (i) The provision of result-based Grants ("Plantation Grants") to Eligible Beneficiaries for the carrying of plantation investments ("Plantation Subprojects"); and (ii) the provision of technical assistance to implement the Plantation Subprojects.

- 2.2. Landscape restoration and protection** through technical assistance, the provision of agroforestry and forestry inputs, and PES to communities in forest-savannah mosaic areas, including for: (a) assisted natural regeneration through

savanna set aside and protected from grazing, fire, and other disturbances, also through trainings; (b) enrichment of degraded forests involving the introduction of new tree species or improvement of the existing one community-led initiatives on construction of fire breaks around plantations and fire surveillance programs; and (c) forest and habitat protection through set asides of primary forest and high conservation value areas.

2.3. Support to sustainable value chains and alternative livelihoods in forested areas, including through community forestry

The carrying out of the following activities in targeted forest landscapes in the Targeted Provinces : (a) the provision of technical services to small producers to structure and formalize the artisanal sectors for wood and non-timber forest products, including harvesting methods and domestication, processing and packaging techniques, administrative literacy, structuring of producers and traders, and marketing of products as set forth in the community managements plans to be further described in the PIM; (b) the provision of agroforestry and forestry inputs, processing units and storage equipment, and PES incentives to support the development of sustainable community forest value chains; (c) the establishment and/or further development of Local Community Forest Concessions (CFCL) allocated to indigenous peoples with activities focused specifically on indigenous peoples, including: (i) the development of the CFCL's simple management plans; (ii) the provision of technical assistance, agroforestry and forestry inputs and PES incentives for the implementation and monitoring of the CFCL's simple management plans; and (iii) technical assistance to indigenous peoples communities, including on literacy, administration of the CFCL local management committees and local development funds; and (d) Training and operational support for local technical services to monitor project activities.

2.4. Road rehabilitation for enhanced market access

The provision of support for the rehabilitation of rural feeder roads to restore connectivity and enhance market access in selected areas, including: (a) the preparation of diagnostic and assessment reports (including on environmental and social risks and climate resilience); (b) the carrying out of engineering studies and other relevant technical assistance and training; and (c) (i) the carrying out of Labor-Intensive Public Works ("LIPW") consisting of community-based road rehabilitation and maintenance, including the payment of Stipends to LIPW Beneficiaries and relevant mechanized works (including the purchase of relevant materials, tools and equipment); and (ii) the carrying out of investments associated with the community-based road rehabilitation and maintenance carried out under (i) above, including small bridges and culverts and other minor public infrastructure investments listed in the PIM.

Component 3: Development of Sustainable Value Chain for Energy and Efficient Cooking

3.1. Capacity building for transition to more efficient charcoal production

Provision of support to charcoal producers in the supply basins of Targeted Provinces to benefit from more efficient charcoal production through: (a) the development of enhanced carbonization techniques to improve the quality of the charcoal produced and reduce wood consumption, including support to testing and dissemination of valorization techniques for charcoal residues in agricultural plots to increase crop yields; (b) analysis of wood-energy value chains and data collection through a combination of surveys, focus groups, and remote sensing technologies to inform the Recipient's policy development on sustainable energy; and (c) capacity building for the structuring and marketing practices of charcoal makers for enhanced sales and income, including training in financial literacy.

3.2. Support for transition to more efficient energy and cleaner cooking solutions

Provision of support for the rolling-out of cleaner cooking solutions in selected areas of Targeted Provinces through the following activities: (a) the provision of results-based grants ("CCS Grants") to Eligible Operators to facilitate the sale of eligible cooking technologies and products to final beneficiary households ("CCS Subprojects") as further detailed in the CCS and Innovation Grants Manual, as well as technical assistance and Operating Costs related to the provision of CCS Grants; (b) the provision of innovation grants ("Innovation Grants") to Eligible Operators to support the development of innovative technologies, business models, and financing approaches ("Innovation Subprojects") as further detailed in the CCS and Innovation Grants Manual, as well as technical assistance and Operating Costs related to the provision of Innovation Grants; (c) the provision of technical assistance and capacity building to support an enabling environment for the clean cooking sector development, including *inter alia*: (i) support for local companies to improve product design and performance; (ii) support for stove testing, evaluation and certification; (iii) awareness raising and behavior change campaigns; and (iv) policy and regulatory review and improvement.

Component 4: Enhanced and Innovative Approaches to Measurement, Reporting and Verification and Result-Based Climate Financing

4.1. Support for measurement, reporting and verification ("MRV") of forest data and green gas emissions ("GHG") results

Strengthening the Recipient's capacity for measuring, reporting and verifying forest change and GHG reductions in the Targeted Provinces through, *inter alia*: (a) the development of a MRV system, including multi-resource inventories in the Targeted Provinces to assess the implementation of land use plans and selected

investments under the Project with GHG results and benefits to the biodiversity, data integration, the development/purchase of relevant IT systems and equipment; and (b) the provision of technical assistance and other capacity building activities on MRV, including training, site visits, and exchanges to boost capacity within technical agencies and selected Congolese universities to support the emergence of local MRV practitioners.

4.2. Support for accessing results-based climate finance, carbon finance and other mechanisms for sustainable financing

Provision of support to the Recipient to develop its technical, policy and regulatory frameworks for enabling an effective and inclusive carbon finance and results-based climate finance (“RBCF”), including: (a) the development of a strategic roadmap to prepare the Recipient for RBCF and the international carbon market, and the provision of technical assistance for the preparation of the above-mentioned mechanisms; (b) the definition of institutional and governance arrangements needed to make decisions on RBCF and carbon finance including linkages to the Recipient’s processes for setting, implementing, and monitoring its NDC targets; (c) the development of procedures and provision of training for private sector participation in the above-mentioned mechanisms; (d) the development of approaches for equitable benefit sharing of emission reduction payments; (e) the development of processes and capacities for MRV of emission reductions; (f) the carrying out of analyses to define methods, standards, and technical approaches applicable to RBCF and carbon finance for the Recipient; (g) the development of a national registry or link to an external registry for emission reduction tracking across sectors; and (h) the carrying out of analyses on the design of mechanisms for biodiversity crediting and PES.

Component 5: Project Implementation and Monitoring and Evaluation

Provision of support to the Recipient and more particularly the FIP-CU for: (a) the management, implementation, coordination, monitoring and evaluation of the Project, including the establishment and implementation of an indigenous peoples specific grievance mechanism to be embedded in the Project grievance redress mechanism; (b) the development and implementation of a separate monitoring and evaluation mechanism to be handled autonomously by national CSOs; and (c) the development of a communication and outreach strategy aimed at informing, preparing and involving relevant stakeholders actively during the life of the Project.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. The Recipient shall:

MESD and its FIP-CU

- (a) vest in the MESD through the FIP-CU, the overall responsibility of coordination, implementation (including fiduciary, environmental and social responsibilities), monitoring and evaluation (including consolidating reporting aspects) of the Project. To this end, the Recipient shall maintain throughout Project implementation, the FIP-CU (including, as applicable, an implementation team in each of the Targeted Provinces to be established no later than three (3) months after the effective Date, or such other date as agreed by the Association), 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. No later than three (3) months after the Effective Date, the Recipient shall cause the FIP-CU to recruit or appoint and maintain, at all times during the implementation of the Project, under terms and conditions approved by the Association and as set forth in the PIM: (i) a chief accountant; (ii) an additional accountant; (iii) two MESD financial management assistants; (iv) a junior internal auditor; (v) an additional procurement specialist; and (vi) a procurement officer. No later than six (6) months after the Effective Date, or such other date as agreed by the Association, the Recipient shall cause the FIP-CU to recruit or appoint, under terms and conditions approved by the Association and as set forth in the PIM, an external auditor.

ANSER

- (b) cause ANSER, to, no later than sixty (60) days after the Effective Date, or such other date as agreed by the Association, appoint, and thereafter maintain throughout Project implementation, a team (“ANSER Implementation Team”), responsible for assisting the FIP-CU in the day-to-day implementation, management, monitoring and evaluation of Component 3.2 of the Project, with competent staff in adequate numbers (including a clean cooking expert) and with terms of reference,

qualifications, experience and integrity satisfactory to the Association and as set forth in the PIM.

National Steering Committee

- (c) no later than three (3) months after the Effective Date, or such later date as agreed by the Association, establish at the national level and thereafter maintain, throughout the implementation of the Project, a Project steering committee (“National Steering Committee”), with terms of reference, composition and resources satisfactory to the Association, which shall be responsible for, *inter alia*, providing overall strategic guidance for the Project and validation of the Annual Work and Budget Programs of the Project, as further defined in the PIM;

Provincial Steering Committees

- (d) no later than five (5) months after the Effective Date, or such later date as agreed by the Association, the Recipient shall cause each of the Targeted Provinces to establish and thereafter maintain throughout Project implementation a provincial steering committee (“Provincial Steering Committee”), chaired by the provincial Governor, with a composition and functions satisfactory to the Association, to coordinate and oversee Project implementation at the provincial level, including validation of the annual work and budget programs at the provincial level, and to ensure coordination among stakeholders at the provincial level; and

Local Development Committees

- (e) establish or caused to be established and maintain or cause to be maintained throughout the period of Project implementation, the Local Development Committees in charge of the day-to-day management of the community-based activities under Components 1.2, 2.1(a), 2.2, 2.3, 2.4, and 3.1, with representation and powers acceptable to the Association as further described in the Project Implementation Manual.

Coordination with other Recipient’s Ministries and Agencies

2. Without limitation to the provisions of paragraph 1 above, the Recipient shall ensure the coordination and collaboration with other relevant Recipient’s entities and agencies, including the Ministries in charge of Environment, Agriculture, Land Affairs, Land Use Planning, Interior and local services, Forestry Management and Inventory Directorate (DIAF), National Commission for Land Reform (CONAREF), Congolese Institute for Nature Conservation (ICCN), Congolese Environmental Agency (ACE), National Institute for Agronomic Studies and Research (INERA) and National Seed Service (SENASA), each with

responsibilities in the technical implementation of the Project activities, all pursuant to adequate arrangements as set forth in the PIM.

Collaboration Agreements with the Targeted Provinces

3. For purposes of facilitating Project implementation, the Recipient shall enter into a collaboration agreement with the province with territorial and administrative jurisdiction over the activities to be implemented (“Targeted Province”) under terms and conditions acceptable to the Association and set forth in the PIM. Except as the Association shall otherwise agree, the Recipient shall, and shall cause each of the Targeted Provinces to, not assign, amend, abrogate or waive any Collaboration Agreement, or any of its provisions. In case of any conflict between the terms of any Collaboration Agreement and those of this Agreement, the terms and conditions of this Agreement shall prevail.

B. Project Implementation Manual, Plantation Grants Manual, CCS and Innovation Grants Manual and PIIB Manual

1. The Recipient shall:
 - (a) ensure that the Project is carried in accordance with the Project Implementation Manual (“PIM”) under terms and conditions acceptable to the Association; and
 - (b) not amend the PIM 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, the Recipient shall prior to the provision of any Plantation Grant under Component 2.1(b) or CCS Grant under Component 3.2 (a), Innovation Grant under Component 3.2 (b) or activities under Component 2.1 (a), 2.2 and 2.3, respectively:
 - (a) prepare and thereafter adopt a Plantation Grants Manual, a CCS and Innovation Grants Manual and a PIIB Manual, all under terms and conditions acceptable to the Association, and upon approval by the Association of each of these manuals, integrate said manuals as annexes to the PIM;
 - (b) implement or cause to implement each, the Plantation Grants under Component 2.1(b) of the Project, the CCS Grants under Component 3.2 (a), and Innovation Grants under Component 3.2 (b) of the Project and the activities under Component 2.1 (a), 2.2 and 2.3 of the Project in accordance with the Plantation Grants Manual, the CCS and Innovation Grants Manual and the PIIB Manual respectively; and

- (c) not amend any of the Plantation Grants Manual, the CCS and Innovation Grants Manual and the PIIB Manual without the prior written approval of the Association. In case of any conflict between the terms of any of the Plantation Grants Manual, the CCS and Innovation Grants Manual or the PIIB Manual, and the terms of this Agreement, the terms of this Agreement shall prevail.

C. ANSER Implementation Agreement

1. No later than thirty (30) days after the Effective Date, or any other date as agreed by the Association, but in any event prior to the provision of any CCS Grants under Component 3.2 (a) and Innovation Grants under Component 3.2 (b) of the Project, the Recipient, through the FIP-CU, shall enter into an implementation agreement with ANSER, under terms and conditions approved by the Association, which shall include ANSER's obligation to ensure that the Project activities under its responsibility are carried out in accordance with the provisions set forth in this Agreement, including the PIM and the ESCP ("ANSER Implementation Agreement").
2. The Recipient shall exercise its rights and carry out its obligations under the ANSER Implementation Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive the ANSER Implementation Agreement or any of its provisions. In case of any conflict between the terms of the ANSER Implementation Agreement and those of this Agreement, the terms and conditions of this Agreement shall prevail.

D. OdR Implementation Agreement

1. To facilitate the carrying out of the civil works under Component 2.4(c)(ii) of the Project, the Recipient shall make part of the proceeds of the Financing available on grant terms to the OdR under an implementation agreement between the Recipient and the OdR, under terms and conditions approved by the Association, which shall include OdR's obligation to carry out the Project activities under its responsibility in accordance with the provisions set forth in this Agreement, including the PIM, the ESCP and the Anti-Corruption Guidelines ("OdR Implementation Agreement").
2. The Recipient shall exercise its rights and carry out its obligations under the OdR Implementation Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive the OdR Implementation Agreement or any of its provisions. In case of any conflict between the terms of the OdR Implementation

Agreement and those of this Agreement, the terms and conditions of this Agreement shall prevail.

E. *Maitrise d'ouvrage déléguée* Contract(s)

1. Prior to the carrying out of the activities under Component 2.3 of the Project, the Recipient, through the FIP-CU, shall make a portion of the proceeds of the Financing available to a Delegated Implementing Agency under one or more *Maitrise d'ouvrage déléguée* contract entered into by the Recipient, through the FIP-CU, and said agency, under terms and conditions approved by the Association, as further described in the Project Implementation Manual ("*Maitrise d'ouvrage déléguée* Contract").
2. The Recipient shall, through the FIP-CU, exercise its rights under the *Maitrise d'ouvrage déléguée* Contract in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the *Maitrise d'ouvrage déléguée* Contractor any of their provisions. In case of any conflict between the terms of the *Maitrise d'ouvrage déléguée* Contract and the terms of this Agreement, the terms of this Agreement shall prevail.

F. Performance-Based Incentives and Investments ("PBII") under Component 2.1(a), 2.2, and 2.3 of the Project

1. Prior to carrying out the activities under Components 2.1(a), 2.2, and 2.3 of the Project, the Recipient, through the FIP-CU, shall make part of the proceeds of the Financing available on grant terms to a Selected Consultant under a tripartite agreement with the Selected Consultant and the respective Eligible Community, as further described in the PBII Manual ("PBII Agreement"). The PIIB Agreement shall include:
 - (a) the terms and conditions of the technical activities, agroforestry and forestry inputs, and the PES to be provided by the Selected Consultant to the Eligible Community;
 - (b) the obligation of the Selected Consultant and the Eligible Community to implement the activities under (a) in compliance with the PIIB Manual, Anti-Corruption Guidelines and the relevant environmental and social requirements as set forth in the ESCP, in form and substance satisfactory to the Association;
 - (c) the obligation of the Selected Consultant and the Eligible Community to report to the Recipient on the progress of the implementation of the activities under (a); and

- (d) the right of Recipient to suspend, cancel or request a refund of the proceed of the Financing transferred to the Selected Consultant or a portion thereof in case of the failure of the Selected Consultant or the Eligible Community to perform any of their obligations under the PIIB Agreement.
2. The Recipient shall exercise its rights under the PIIB Agreements in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the PIIB Agreements or any of their provisions. In case of any conflict between the terms of the PIIB Agreements and the terms of this Agreement, the terms of this Agreement shall prevail.

G. LIPW under Component 2.4(c)(i) of the Project

1. In order to carry-out the LIPW under Component 2.4(c)(i) of the Project, the Recipient, through the FIP-CU, shall:
- (a) conclude an agreement (“LIPW Agreement”) with each LIPW Beneficiary, as the case may be, under terms and conditions acceptable to the Association and based upon the template included in the Project Implementation Manual;
 - (b) ensure that each such LIPW Agreement is carried out with due diligence and efficiency and in accordance with sound technical, financial, and managerial standards and practices acceptable to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to the LIPW Agreement;
 - (c) ensure that payment under each LIPW Agreement is subject to a verification process satisfactory to the Association and set forth in the Project Implementation Manual; and
 - (d) exercise its rights and carry out its obligations under each LIPW Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing.

H. Plantation Grants under Component 2.1(b) of the Project

1. Upon selection of an Eligible Beneficiary pursuant to the criteria and procedures established in the Plantation Grants Manual, the FIP-CU shall enter into a standard agreement with each Eligible Beneficiaries, under terms and conditions acceptable to the Association, (the “Plantation Grant Agreement”) which shall include, *inter alia*:

- (a) the amount to be provided in the form of a Plantation Grant to the Eligible Beneficiaries under a Plantation Grant Agreement, its terms and conditions;
 - (b) the obligation of the Eligible Beneficiaries to implement the Plantation Subproject in compliance with the Anti-Corruption Guidelines and the relevant environmental and social requirements as set forth in the ESCP, including, when applicable, prepare an environmental management plan in accordance with the ESMF, in form and substance satisfactory to the Association, and to implement said activities in accordance with the relevant environmental management plan;
 - (c) the obligation of the Eligible Beneficiaries to report to the Recipient on the progress of the implementation of the Plantation Subproject and to enable the Recipient and the Association, if the Association shall so request, to visit the Plantation Subproject; and
 - (d) the right of Recipient to suspend, cancel or request a refund of the Plantation Grant or a portion thereof in case of the failure of the Eligible Beneficiaries to perform any of its obligations under the Plantation Grant Agreement.
2. The Recipient, through the FIP-CU, shall exercise its rights and carry out its obligations under each Plantation Grant Agreement in such manner as to protect the interests of the Recipient and the Association to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive each Plantation Grant Agreement or any of its provisions.
3. As applicable, to assist the FIP-CU in the implementation of Component 2.1(b) in the Targeted Provinces, the Recipient, through the FIP-CU, shall, upon selection and hiring of a technical assistance service provider under terms of reference acceptable to the Association, enter into a technical assistance contract with said service provider under terms and conditions as further described in the PIM.

I. CCS Grants for CCS Subprojects under Component 3.2(a) of the Project and Innovation Grants for Innovation Subprojects under Component 3.2(b) of the Project

1. For purposes of providing CCS Grants and Innovation Grants for CCS Subprojects and Innovation Subprojects under Components 3.2(a) and 3.2(b) of the Project respectively, the Recipient shall, through the FIP-CU, upon selection of an CCS Subproject/Innovation Subproject pursuant to the criteria and procedures established in the CCS and Innovation Grants Manual, make a CCS Grant or an

Innovation Grant to an Eligible Operator pursuant to a grant agreement (“CCS Grant Agreement” or “Innovation Grant Agreement” as the case may be) to be entered into by FIP-CU and ANSER with each Eligible Operator under terms and conditions approved by the Association, which shall include the following:

- (a) CCS Grants and Innovation Grants shall: (i) be made on a non-reimbursable basis; (ii) to finance CCS Subprojects/Innovation Subprojects selected in accordance with the criteria and procedures acceptable to the Association and set forth in the CCS and Innovation Grants Manual; and (iii) not be used to finance any activities included in the list of Excluded Activities;
- (b) the obligation of the Eligible Operator to: (i) implement the relevant CCS Subproject/Innovation 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 their 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 CCS Grants/Innovation 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 CCS Subproject(s)/Innovation Subproject(s) and the achievement of its objectives; (v) (A) maintain a financial management system and prepare financial reports and 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 CCS Subproject(s)/Innovation Subproject(s); 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 CCS Subproject/Innovation 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 Recipient, as the case may be, to suspend, cancel or request a refund of the CCS Grant/Innovation Grant or a portion thereof in case of the failure of the Eligible Operator to perform any of its obligations under the CCS Grant Agreement or Innovation Grant Agreement.

2. The Recipient, through the FIP-CU, and ANSER shall exercise their rights and carry out its obligations under each CCS Grant Agreement or Innovation 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, through the FIP-CU, and ANSER, shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, any CCS Grant Agreement or Innovation Grant Agreement or any of their provisions.
3. To assist the Recipient, through the FIP-CU, and ANSER in the implementation of Component 3.2(a), the Recipient shall, upon selection of a technical assistance firm (“TA Operator”) with terms of reference, qualifications and experience satisfactory to the Association, enter into a technical assistance contract (“Technical Assistance Contract”) with said TA Operator under terms and conditions acceptable to the Association which shall include the obligation of the TA Operator to carry out the activities under its responsibility in accordance with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards (including the measures and actions set forth in the ESCP as applicable to the CCS Subprojects/Innovation Subprojects partially financed with CCS Grants/Innovation Grants) all satisfactory to the Association, including the obligation to: (a) support ANSER in ensuring that each Eligible Operator complies with its ESMS in the implementation of the CCS Subproject/Innovation Subproject; and (b) comply with the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient.

J. Annual Work and Budget Programs

1. The Recipient, through the FIP-CU, 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.

K. Environmental and Social Standards

1. The Recipient shall and shall cause the Project to be 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 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 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 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.

- (c) The Recipient shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Association.
- 4. The Recipient shall ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, subcontractors and supervising entities to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.
- 5. Without limitation upon the provisions of paragraph 2 above, if 60 days prior to the Closing Date, the Association determines that there are measures and actions specified in the ESCP which will not be completed by the Closing Date, the Recipient shall: (a) not later than 30 days before the Closing Date, prepare and present to the Association, an action plan satisfactory to the Association on the outstanding measures and actions, including a timetable and budget allocation for such measures and actions (which action plan shall deemed to be considered an amendment of the ESCP); and (b) thereafter, carry out said action plan in accordance with its terms and in a manner acceptable to the Association.

Section II. Project Monitoring, Reporting and Evaluation

The Recipient, through the FIP-CU, shall 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 Credit

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: (a) finance Eligible Expenditures; and (b) repay the Preparation Advance; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Credit Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) (a) Goods, works, non-consulting services (including Training), consulting services, and Operating Costs for the Project (except Part 3.2(a) and 2.1(b)), PIIB under Components 2.1(a), 2.2 and 2.3 of the Project;	(a) 220,532,000	100%
(b) Innovation Grants for Innovation Subprojects under Component 3.2 (b) of the Project	(b) 350,000	100%
(2) LIPW Stipends under Component 2.4 (c)(i) of the Project	7,700,000	100%
(3) (a) Goods, non-consulting services (including Training), consulting services, Operating Costs under Component 2.1(b) of the Project;	(a) 5,000,000	100%
(b) Plantation Grants for Plantation Subprojects under Component 2.1(b) of the Project	(b) 45,000,000	100%
(4) (a) CCS Grants for CCS Subprojects under Component 3.2(a) of the Project;	(a) 7,000,000	100%
(b) Goods, non-consulting services, consulting services, Operating Costs under 3.2(a) of the Project	(b) 1,000,000	100%
(5) Refund of Preparation Advance	3,418,000	Amount payable pursuant to Section 2.07 (a) of the General Conditions
TOTAL AMOUNT	290,000,000	

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;
 - (b) for payments under Category (1)(b) until and unless the Association is satisfied that the following conditions have been met:
 - (i) the ESMAP Grant has been fully disbursed;
 - (ii) the CCS and Innovation Grants Manual has been adopted by the Recipient in form and substance acceptable to the Association;
 - (c) for payments under Category (3) until and unless the Association is satisfied that the following condition have been met, namely that the Plantation Grants Manual has been adopted by the Recipient in form and substance acceptable to the Association; or
 - (d) for payments under Category (4) until and unless the Association is satisfied that the following conditions have been met:
 - (i) the ESMAP Grant has been fully disbursed;
 - (ii) (A) the TA Operator has been selected under terms of reference acceptable to the Association; and (B) the Technical Assistance Contract has been executed under terms and conditions acceptable to the Association, pursuant to Section I.I.3of this Schedule, and is in full force and effect; and
 - (iii) the CCS and Innovation Grants Manual has been adopted by the Recipient in form and substance acceptable to the Association.
2. The Closing Date is June 30, 2030.

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 percentage represents 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.

APPENDIX

Section I. Definitions

1. “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.
2. “ANSER” means *Agence Nationale de l’Electrification et des Services Énergétiques en Milieu Rural et Péri-Urbain*, the Recipient’s national agency for rural energy services established pursuant to Decree No. 16/2014 dated April 21, 2016.
3. “ANSER Implementation Agreement” means the agreement referred to in Section I.C of Schedule 2 to this Agreement.
4. “ANSER Implementation Team” means the team referred to in Section I.A.1.b of Schedule 2 to this Agreement.
5. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
6. “CCS Grant” means a grant to be made out of the proceeds of the Financing to an Eligible Operator for the carrying out of a CCS Subproject under Part 3.2(a), in an amount and under terms and conditions acceptable to the Association and defined in the CCS and Innovation Grants Manual.
7. “CCS Grant Agreement” means each and any of the agreements referred to in Section I.I.1 of Schedule 2 to this Agreement.
8. “CCS and Innovation Grants Manual” means the manual for the provision of CCS Grants and Innovation Grants referred to in Section I.B of Schedule 2 to this Agreement
9. “CCS Subprojects” means any investment to be carried out under Component 3.2 (a) of the Project, selected pursuant to the criteria and procedures established in the CCS and Innovation Grants Manual.
10. “CSO” means civil society organization.
11. “Delegated Implementing Agency” means the agency selected through an international competitive selection process and hired, under terms and conditions acceptable to the Association as defined in the PIM, to implement Component 2.3 of the Project.

12. “Eligible Beneficiary” means a small private landowner and/or a small and/or medium-sized enterprise eligible to receive a Plantation Grant under Component 2.1(b) of the Project pursuant to the selection criteria and procedures set forth in the Plantation Grants Manual.
13. “Eligible Community” means each of the communities eligible to receive technical assistance and PES under Components 2.1(a), 2.2 and 2.3 pursuant to the selection criteria and procedures set forth in the PIM.
14. “Eligible Operator” means a manufacturer or distributor of clean cooking solutions eligible to receive a CCS Grant under Component 3.2(a) and Innovation Grant under Component 3.2(b) of the Project pursuant to the selection criteria and procedures set forth in the CCS and Innovation Grants Manual.
15. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated April 27, 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.
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 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 Bank.
17. “ESMS” means the environmental and social management system of each Eligible Operator that implement the relevant CCS Subproject/Innovation Subproject under Parts 3.2(a) and 3.2(b) of the Project to identify, assess and manage the environmental and social risks and impacts under the relevant activities under Parts 3.2(a) and 3.2(b) of the Project.

18. “ESMAP” means Energy Sector Management Assistance Program Multi-Donor Trust Fund.
19. “ESMAP Grant” means the grant (ESMAP Grant Number TF C1384-ZR) extended to the Recipient to assist in financing Part 3.2 of the Project pursuant to the ESMAP Grant Agreement.
20. “ESMAP Grant Agreement” means the grant agreement entered between the Recipient and the Association as administrator of ESMAP for the Project, of the same date as this Agreement, as such agreement may be amended from time to time.
21. “ESMAP Agreement” includes all appendices, scheduled and agreements supplemental to the ESMAP Grant Agreement.
22. “FIP-CU” means Forest Investment Program Coordination Unit, the Project implementation unit in MESD established pursuant to Ministerial Order No. 008/CAB/MIN/ECN DD/01/00/RBM/2015 dated November 19, 2015.
23. “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.
24. “Innovation Grant” means a grant to be made out of the proceeds of the Financing to an Eligible Operator for the carrying out of an Innovation Subproject under Part 3.2(b), in an amount and under terms and conditions acceptable to the Association and defined in the CCS and Innovation Grants Manual.
25. “Innovation Grant Agreement” means each and any of the agreements referred to in Section I.I.1 of Schedule 2 to this Agreement.
26. “Innovation Subproject” means any investment to be carried out under Component 3.2 (b) of the Project, selected pursuant to the criteria and procedures established in the CCS and Innovation Grants Manual.
27. “Labor-Intensive Public Works” or “LIPW” means the activities referred to in Component 2.4 of the Project consisting of minor works and maintenance of public infrastructure (e.g., vegetation clearing, debris removal, side drains cleaning, or minor surface repairs) and carried out using a labor-based methodology, as further described in the PIM.
28. “LIPW Agreement” means each and any of the agreements referred to in Section I.G.1 of Schedule 2 to this Agreement.

29. “LIPW Beneficiary” means a beneficiary selected by a Local Development Committee within an Eligible Community, who is retained by the FPI-CU under a LIPW Agreement. “LIPW Beneficiaries” means, collectively, all such individuals.
30. “Local Community Forest Concessions” or “CFCL” means a forest concession allocated to a local community pursuant to Article 22 of Law No. 011/2002 (DRC Forest Code) and Decree No. 14/018 of August 2, 2014.
31. “Local Development Committees” means the committees in the villages of the Targeted Provinces as referred to in Section 1.A.1 (e) of Schedule 2 to this Agreement.
32. “MESD” means the Recipient’s ministry in charge of environment and sustainable development, or any successor thereto.
33. “National Steering Committee” means the committee referred to in Section I.A1(c) of Schedule 2 to this Agreement.
34. “NDC” means nationally determined contribution under the Paris Agreement adopted on December 12, 2015 and entered into force on November 4, 2016.
35. “OdR” means the Recipient’s Office of Roads within the Recipient’s ministry in charge of infrastructure and public works.
36. “OdR Implementation Agreement” means the agreement referred to in Section I.D of Schedule 2 to this Agreement.
37. “*Maitrise d’ouvrage déléguée* Contract” means the consultant services contract referred to in Section I.E of Schedule 2 to this Agreement.
38. “Payment for Environmental Services” or “PES” means payments for services provided by communities to carry out subprojects under Components 2.1(a), 2.2, and 2.3.
39. “PIIB” means the performance-based incentives and investments under Components 1(a), 2.2, and 2.3 as referred to in Section I.F of Schedule 2 to this Agreement.
40. “PBII Agreement” means each and any of the agreements referred to in Section I.F.1 of Schedule 2 to this Agreement.
41. “PIIB Manual” means the manual for the provision of PIIB referred to in Section I.B of Schedule 2 to this Agreement.
42. “PIM” means the Recipient’s Project Implementation 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; and (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); as said manual may be amended from time to time with the Association's prior written consent.

43. "Plantation Grants" means a grant to be made out of the proceeds of the Financing to an Eligible Beneficiary to carry out a Plantation Subproject under Component 2.1(b) of the Project.
44. "Plantation Grant Agreement" means each and any of the agreements referred to in Section I.H.1 of Schedule 2 to this Agreement.
45. "Plantation Grants Manual" means the manual for the provision of Plantation Grants referred to in Section I.B of Schedule 2 to this Agreement.
46. "Plantation Subproject" means a plantation investment to be carried out under Component 2.1 (b) of the Project, selected pursuant to the criteria and procedures established in the Plantation Manual.
47. "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.
48. "Provincial Steering Committees" means the committees referred to in Section I.A1(d) of Schedule 2 to this Agreement.
49. "Selected Project Areas" means the areas within the Targeted Provinces as set forth in the PIM.
50. "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.
51. "Stipend" means the payments made to each LIPW Beneficiary under a LIPW Agreement as referred to in Section I.G.1 of Schedule 2 to this Agreement
52. "Targeted Provinces" means the Recipient's provinces of Kasai, Kasai Central, Kasai Oriental, Kinshasa, Kongo Central, Kwilu and Lomami, and/or any other Recipient's province as agreed between the Recipient and the Bank and listed in the PIM.

53. “TA Operator” means a firm selected with terms of reference, qualifications and experience satisfactory to the Association as referred to in Section I.I.3 of Schedule 2 to this Agreement.

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.