
CREDIT NUMBER 73940-CM

Financing Agreement

(Cameroon Power Sector Reform Program)

between

REPUBLIC OF CAMEROON

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

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CREDIT NUMBER 73940-CM

FINANCING AGREEMENT

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

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The Program General Conditions and the Project General Conditions (in each case 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 two hundred eighty one million one hundred thousand Euros (EUR 281,100,000) (variously, “Credit” and “Financing”), to assist in financing:
 - (a) The program as described in Part 1 of Schedule 1 to this Agreement (“Program”); and
 - (b) The project as described in Part 2 of Schedule 1 to this Agreement (“Project”) (the Program and the Project hereinafter jointly referred to as the “Operation”)
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement. All withdrawals from the Financing Account shall be deposited by the Association into an account specified by the Recipient and acceptable to the Association.
- 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 Service Charge is the greater of: (a) the sum of three-fourths of one percent (3/4 of 1%) per annum plus the Basis Adjustment to the Service Charge; and (b) three-fourths of one percent (3/4 of 1%) per annum; on the Withdrawn Credit Balance.

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- 2.05. The Interest Charge is the greater of: (a) the sum of one and a quarter percent (1.25%) per annum plus the Basis Adjustment to the Interest Charge; and (b) zero percent (0%) per annum; on the Withdrawn Credit Balance.
- 2.06. The Payment Dates are May 15 and November 15 in each year.
- 2.07. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.08. The Payment Currency is Euro.

ARTICLE III — OPERATION

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

ARTICLE IV — EFFECTIVENESS; TERMINATION

- 4.01. The Additional Conditions of Effectiveness consist of the following:
 - (a) the Recipient has developed and approved the Operational Manual set forth in Section I.B.1 of the Schedule 2 to this Agreement in a manner and substance satisfactory to the Association; and
 - (b) the Recipient has established and staffed the Operation Implementing Unit (OIU) in form and manner, and with resources and terms of reference satisfactory to the Association, in accordance with Section I.A.3 (c) of Schedule 2 to this Agreement.
- 4.02. The Effectiveness Deadline is the date one hundred and 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 Recipient's minister responsible for economy.
- 5.02. For purposes of Section 11.01 of the General Conditions: (a) the Recipient's address is:



Ministry of Economy, Planning, and Regional Development
P. O. Box. 660
Yaoundé
Cameroon; and;

(b) the Recipient's Electronic Address is:

Facsimile:
237-22222-1509
Cc: Autonomous Sinking Fund (CAA)

- 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.

REPUBLIC OF CAMEROON

By



Name: Alamine Ousmane Mey

Title: _____

Date: 20 NOV 2023

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Name: CHEICK F. KANTÉ

Title: COUNTRY DIRECTOR

Date: 20 NOV 2023

Authorized Representative

SCHEDULE 1

Operation Description

The objective of the Operation is to improve financial performance and transparency of the electricity sector and increase access to electricity in Cameroon.

The Operation consists of the following activities:

Part 1: The Program

Results Area 1: Improved financial performance of the electricity sector

Providing support to increase liquidity in the sector, through: (i) reducing the gap between maximum allowed electricity sector revenues and tariff revenues through gradual increases in tariffs of medium voltage and high voltage customers until cost-recovery is reached and ensuring timely payments by MINFI to ENEO of; (a) the residual electricity tariff subsidy, and (b) the electricity bills of public building's consumption and public lighting by enhancing the metering and billing accuracy and transparency

Results Area 2: Strengthened operational performance, enhanced accountability and transparency of the electricity sector

Providing support to ARSEL and MINEE to improve the monitoring of the performance of ENEO, and SONATREL, through: (i) developing, conducting, and publishing a technical audit (including a physical inventory of assets in the concession) on ENEO's annual performance; and (ii) an Updated Performance Contract between MINEE and SONATREL incorporating an investment plan approved by ARSEL.

Results Area 3: Increased access to electricity

Increasing access to electricity for households and industries in urban and rural areas, and to reducing thermal generation, by: (i) extending and densifying the national distribution grid up to 15 kV to connect new households; (ii) reducing existing bottlenecks in the transmission system by rehabilitating and upgrading existing high-voltage substations to increase the total installed transformation capacity; and (iii) supporting the installation of solar PV generation capacity to reduce fuel consumption in existing isolated thermal power generation systems and power currently unserved areas through mini-grids.

Part 2: The Project

Part 2.1: Implementation support and capacity building

2.1.1 *Project Management, Policy Development, Monitoring & Evaluation, and DLIs/DLRs Verification:* (i) Providing technical and financial support for the



carrying out of the Operation, including the operational expenses of an Operation coordination unit, inter-institutional coordination, monitoring and evaluation of Operation activities, and the verification of DLIs/DLRs; and (ii) providing capacity building, technical assistance to prepare technical bidding documents and supervision of works under the infrastructure investments in distribution (access), transmission and generation (installation of solar PVs) and carrying out technical and feasibility studies in support of the electricity sector reforms;

- 2.1.2 Providing technical assistance and strengthening the institutional capacity of ARSEL on: (i) establishing its integrated regulatory information system (monitoring database); (ii) establishing and regularly updating a database with international and regional benchmark prices of electricity materials and components; and (iii) drafting a report on an updated physical inventory of assets in ENEO's.
- 2.1.3 Strengthening the institutional capacity of MINEE to carry out its mandate and providing technical assistance for the preparation of: (i) an Electrification Master Plan, including annual targets, financing needs and electrification database; and (ii) a generation-transmission-distribution master plan, including a demand forecast assessment and a mechanism of successive updates.
- 2.1.4 Providing technical assistance and training, including study tours, to strengthen the institutional capacity of CELCOR/MINEE, CoA, SONATREL, AER, and EDC to improve their planning, operational efficiency and implementing capacity.
- 2.1.5 Construction of a center of excellence and installation of technical laboratory equipment inside the perimeter of the existing campus of the University of Ngaoundéré for the development of technical competencies in the energy sector.



SCHEDULE 2

Operation Execution

Section I. Implementation Arrangements

A. Institutional and Implementation Arrangements

1. The Recipient shall carry out the Operation through the MINEE.
2. Fiduciary, Environmental and Social Systems

Without limitation on the provisions of Article V of the General Conditions, the Recipient, through the MINEE, shall carry out the Program, or cause the Program to be carried out, in accordance with the administrative, financial management, procurement and environmental and social management systems acceptable to the Bank which are designed to ensure that:

- (a) the Financing proceeds are used for their intended purposes, with due attention to the principles of economy, efficiency, effectiveness, transparency, and accountability; and
 - (b) the actual or potential adverse environmental and social impacts of the Program are identified, avoided, minimized, or mitigated, as the case may be, all through an informed decision-making process.
3. The Recipient shall:
 - (a) maintain throughout the period of implementation of the Operation, the Inter-Ministerial Committee responsible for overseeing overall Operation performance, providing strategic oversight and guidance, including, approving the Annual Work Plan and Budget (AWPB), reviewing the documents, policies and manuals developed under this Operation, and providing advice to the PIU and/or making recommendations for final adoption;
 - (b) maintain throughout the period of implementation of the Operation, an Operation Implementation Unit (OIU) with terms of reference, composition, powers, functions, staffing, facilities and other resources satisfactory to the Association, to be responsible for the day to day implementation of the Project, including *inter alia*, preparing for the approval by the Inter-Ministerial Committee the AWPB, reviewing, monitoring and evaluating the implementation progress of the Program, including the achievement of targets of the results framework and DLIs,

and environmental and social safeguards management, financial management, procurement, monitoring and evaluation, and reporting.

- (c) Without limiting the foregoing, the OIU shall include for the duration of the implementation of the Operation, *inter alia*, (i) an Operation coordinator; (ii) an Operation deputy coordinator in charge of monitoring and evaluation; (iii) a procurement specialist, (iv) a financial management specialist; (v) an environmental safeguards specialist; (vi) a social safeguards specialist; and (vii) an Operation assistant.
- (d) The Recipient shall, through the OIU, not later than six (6) months after the Effective Date, hire the Owner's Engineer in accordance with terms of reference and qualifications acceptable to the Association.

B. Operational Manual

1. The Recipient shall maintain an implementation manual for the Operation ("Operational Manual"), in a manner and substance satisfactory to the Association, and thereafter ensure the Operation is carried out in accordance with such manual, which shall set forth the institutional, administrative, financial, technical and operational guidelines and procedures for the implementation of the Program, and the agreed Program Action Plan, as well as the Project, including: (a) the definition of the contours of the Program and Project activities, including results framework, overall budget and detailed Program Expenditures; (b) detailed environmental and social risk mitigation measures and documents; (c) financial management protocols and standards; (d) detailed guidelines for the administration and flow of funds; (e) procurement arrangements; (f) environmental and social risk mitigation measures; (g) guidance and protocols for the preparation and approval of Annual Work Plans & Budgets; (h) the verification protocol agreed with the Association for evaluating the achievement of the DLIs and their respective DLRs; (i) compliance with the ESCP and anti-corruption guidelines ("ACGs"), (j) provisions regarding the application of the ACGs to the Program, including the Recipient obligation to ensure that of all the agencies involved in the implementation of the Program cooperate with Bank investigations for the Program; and (k) monitoring and evaluation requirements, including verification systems for the Program.
2. The Recipient shall refrain from materially and/or substantially amending, revising, waiving, voiding, abrogating or suspending any provision of the Implementation Manual, whether in whole or in part, without the prior written concurrence of the Association.
3. In the event of any inconsistency between a provision of the Operational Manual and those of this Agreement, the provisions of this Agreement shall prevail.



C. Additional Program Implementation Arrangements

1. Without limitation upon the generality of Part A of this Section I, the Recipient shall carry out the Program Action Plan agreed with the Association, in accordance with the schedule set out in the said Program Action Plan, and in a manner satisfactory to the Association.
2. The Recipient shall refrain from materially and/or substantially amending, revising, waiving, voiding, abrogating or suspending any provision of the Program Action Plan, whether in whole or in part, without the prior written concurrence of the Association.
3. In the event of any inconsistency between a provision of either the Program Action Plan on the one side, and those of this Agreement, on the other, the provisions of this Agreement shall prevail.

D. Independent Verification Agents for the Program

1. The Recipient shall:
 - (a) appoint by not later than six (6) months after the Effective Date, and thereafter maintain at all time during the implementation of the Program, one independent verification agent with experience and qualifications and under terms of reference acceptable to the Association (the "Independent Verification Agent"), to: (i) verify the data and other evidence supporting the achievement of the DLIs/DLRs, as set forth in the table in Schedule 3 to this Agreement; and (ii) recommend corresponding disbursements to be made, as applicable, pursuant to such Schedule 3 and Section IV hereinbelow; and
 - (b) (i) ensure that the Independent Verification Agent carry out the DLIs/DLRs' verification process(es) in accordance with the Verification Protocol; and (ii) submit to the Association the corresponding verification reports in a timely manner (at least once a year), and in form and substance satisfactory to the Association.

E. Annual Work Plans & Budgets for the Operation

1. The Recipient shall, by no later than November 30th of each year during the implementation of the Project and the Program, prepare and furnish to the Association an annual work plan and budget containing all activities proposed to be included in the Project and the Program during the following calendar year, and the proposed financing plan for the expenditures required thereunder, indicating the amounts and source of financing ("Annual Work Plan & Budget"), all in



accordance with the Operation Manual, each said Annual Work Plan & Budget of such scope and detail as the Association shall reasonably request.

2. The Recipient shall afford the Association a reasonable opportunity to exchange views with the Recipient on each such Annual Work Plan & Budget, and, thereafter, ensure that the Operation is implemented with due diligence during said following calendar year in accordance with said Annual Work Plan & Budget, as shall have been approved by the Inter-Ministerial Committee taking into consideration the comments/suggestions provided by the Association.
3. The Recipient shall not make or allow to be made any change(s) to the approved Annual Work Plan & Budget, once approved, without the Association's prior written approval.

F. Environmental and Social Standards for the Project.

1. The Recipient shall 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 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.

- 5. 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.

Section II. Excluded Activities

The Recipient shall ensure that the Program excludes any activities which:

- A. in the opinion of the Association, are likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people; or
- B. involve the procurement of: (1) works, estimated to cost seventy five million USD (US\$ 75,000,000) equivalent or more per contract; (2) goods, estimated to cost fifty million USD (US\$ 50,000,000) equivalent or more per contract; (3) non-consulting services, estimated to cost of fifty million USD (US\$ 50,000,000) equivalent or more per contract; or (4) consulting services, estimated to cost twenty million USD (US\$ 20,000,000) equivalent or more per contract.

Section III. Program Monitoring, Reporting and Evaluation

A. Program Monitoring, Reporting, Evaluation and Audits

- 1. Program Reports

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



2. Program Financial and Procurement Audits

Without limitation on the generality of Section I.B of this Schedule 2 and Section 5.09 of the General Conditions, the Recipient shall have the Financial Statements audited in accordance with the provisions of Section 5.09 (b) of the General Conditions. The Recipient shall maintain, or cause to be maintained, records in respect of procurement activities related to the Operation and shall cause said records to be audited annually. Each audit of the Financial Statements and procurement activities shall cover the period of one (1) calendar year of the Recipient. The audited Financial Statements and procurement audit report for each such period shall be furnished to the Association not later than nine (9) months after the end of such period in respect of the Program, and six (6) months after the end of such period in respect of the Project.

3. Except as may otherwise be explicitly required or permitted under this Agreement or as may be explicitly requested by the Association, in sharing any information, report or document related to the activities described in Schedule 1 Part 2 of this Agreement, the Recipient shall ensure that such information, report or document does not include Personal Data.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. 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 Program Expenditures (inclusive of Taxes), on the basis of the results (“Disbursement Linked Results” or “DLRs”) achieved by the Recipient, as measured against specific indicators (“Disbursement Linked Indicators” or “DLIs”) in the amounts allocated against Categories (1) through (7) of the table set forth in paragraph 2 of this Part A; and (b) with respect of the Project, Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against Category (8) of the table set forth in paragraph 2 of this Part A.
2. The following table specifies each category of withdrawal of the proceeds of the Financing (including the Disbursement Linked Indicators as applicable) (“Category”), the Disbursement Linked Results for each Category (as applicable), and the allocation of the amounts of the Financing to each Category:



Category (including Disbursement Linked Indicator as applicable)	Disbursement Linked Result (as applicable)	Formula	Amount of the Financing Allocated (expressed in EUR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) DLI #1: Reduction of annual revenue gap (RG) between maximum allowed revenues (MAR) and tariff revenues (TR), expressed as a percentage of MAR.	DLR 1.1 the annual revenue gap for calendar year 2025 has been reduced to 7% of the MAR.	Maximum Allowed Revenue – Tariff Revenue = ≤7% of Maximum Allowed Revenue YES/NO: No disbursement if the revenue gap for calendar year 2025 is greater than 7% of the MAR.	37,480,000 13,118,000	
	DLR 1.2 the annual revenue gap for calendar year 2026 has been reduced to 6% of the MAR	Maximum Allowed Revenue – Tariff Revenue = ≤6% of Maximum Allowed Revenue YES/NO :No disbursement if the revenue gap for calendar year 2026 is greater than 6% of the MAR	14,992,000	
	DLR 1.3 the annual revenue gap for calendar year 2027 has been reduced to 5% of the MAR.	Maximum Allowed Revenue – Tariff Revenue = ≤5% of Maximum Allowed Revenue YES/NO: No disbursement if the revenue gap for calendar year 2027 is greater than 5% of the MAR	9,370,000	

<p>(2) DLI #2 Timely payments of public administration's electricity consumption and annual compensation by Ministry of Finance to ENEO, as per applicable regulatory framework</p>	<p>DLR#2.1</p>		37,480,000	
	<p>(a) 100% of the budgeted amount of tariff compensation as estimated by ARSEL for calendar year 2024 has been paid by MINFI in quarterly disbursements made no later than three months after the end of each quarter;</p>	YES / NO	4,685,000	
	<p>(b) (i) 70% of the budgeted amount for public lighting bills estimated by ARSEL for calendar year 2024, and (ii) 100% of the budgeted amount for central government's electricity bills estimated by ARSEL for year 2024 have been paid by the end of the first quarter of 2025.</p>	YES / NO	4,685,000	
	<p>DLR#2.2</p>			
	<p>(a) 100% of the budgeted amount of tariff compensation as estimated by ARSEL for calendar year 2025 has been paid by MINFI in quarterly disbursements made no later than three months after the end of each quarter;</p>	YES / NO	4,685,000	
	<p>(b) (i) 80% of the budgeted amount for public lighting bills estimated by ARSEL for calendar year 2025, and (ii) 100% of the budgeted amount for central government's electricity bills estimated by ARSEL for year 2025 have been paid by the end of the first quarter of 2026.</p>	YES / NO	6,559,000	
<p>DLR#2.3</p>				
<p>(a) 100% of the budgeted amount of tariff compensation as estimated by ARSEL for calendar year 2026 has been paid by MINFI in quarterly disbursements made no</p>	YES / NO	6,559,000		

Category (including Disbursement Linked Indicator as applicable)	Disbursement Linked Result (as applicable)	Formula	Amount of the Financing Allocated (expressed in EUR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
	<p>later than three months after the end of each quarter;</p> <p>(b) (i) 90% of the budgeted amount for public lighting bills estimated by ARSEL for calendar year 2026, and (ii) 100% of the budgeted amount for central government's electricity bills estimated by ARSEL for year 2026 have been paid by the end of the first quarter of 2027</p> <p>DLR#2.4</p> <p>(a) 100% of the budgeted amount of tariff compensation as estimated by ARSEL for calendar year 2027 has been paid by MINFI in quarterly disbursements made no later than three months after the end of each quarter;</p> <p>(b) (i) 100% of the budgeted amount for public lighting bills estimated by ARSEL for calendar year 2027, and (ii) 100% of the budgeted amount for central government's electricity bills estimated by ARSEL for year 2027 have been paid by the end of the first quarter of 2028.</p>	<p>YES / NO</p> <p>YES / NO</p>	<p>2,811,000</p> <p>2,811,000</p>	
(3) DLI#3: Public facilities with functioning smart meters and public lighting with functioning meters	<p>DLR #3.1</p> <p>(a) Smart meters are installed and put in service at points of electricity supply to public facilities as per Billing Improvement Plan</p>	<p>EUR 1,624.102per smart meter installed and put in service at point of electricity supply to a public facility</p>	<p>37,480,000</p> <p>24,362,000</p>	

Category (including Disbursement Linked Indicator as applicable)	Disbursement Linked Result (as applicable)	Formula	Amount of the Financing Allocated (expressed in EUR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
	(b) Smart meters are installed and put in service to record consumption of public lighting lamps	<p>Target of 15,000 smart meters</p> <p>EUR 87.45 per public lighting lamp whose consumption is recorded through smart meters. Target of 150,000 public lamps with metered consumption</p>	13,118,000	
(4) DLI#4: Reports on regulatory audits of performance of ENEO and SONATREL are completed and published annually	<p>DLR#4.1</p> <p>(a) ARSEL has published a report on technical audit of performance of ENEO for calendar year 2023.</p> <p>(b) ARSEL has published a report on technical audit of performance of SONATREL for calendar year 2023.</p> <p>DLR#4.2</p> <p>(a) ARSEL has published a report on technical audit of performance of ENEO for calendar year 2024.</p> <p>(b) ARSEL has published a report on technical audit of performance of SONATREL for calendar year 2024.</p>	<p>YES / NO</p> <p>YES / NO</p> <p>YES / NO</p> <p>YES / NO</p>	<p>6,559,000</p> <p>937,000</p> <p>937,000</p> <p>937,000</p> <p>937,000</p>	

Category (including Disbursement Linked Indicator as applicable)	Disbursement Linked Result (as applicable)	Formula	Amount of the Financing Allocated (expressed in EUR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
	<p>DLR#4.3</p> <p>(a) ARSEL has published a report on technical audit of performance of ENEO for calendar year 2025.</p> <p>(b) ARSEL has published a report on technical audit of performance of SONATREL for calendar year 2025.</p> <p>DLR#4.4</p> <p>(a) ARSEL has published a report on technical audit of performance of ENEO for calendar year 2026.</p> <p>(b) ARSEL has published a report on technical audit of performance of SONATREL for calendar year 2026.</p>	<p>YES / NO</p> <p>YES / NO</p> <p>YES / NO</p> <p>YES / NO</p>	<p>937,000</p> <p>937,000</p> <p>468,500</p> <p>468,500</p>	
(5) DLI#5: Households provided with new electricity service	<p>DLR#5.1</p> <p>(a) National Electrification Master Plan (NEMP) approved and disclosed by MINEE.</p> <p>(b) Ministerial resolution defining the process to be adopted for the systematic update of the Generation, Transmission and Distribution Master Plan approved and disclosed by MINEE.</p> <p>DLR#5.2 New households are connected through grid</p>	<p>YES/NO</p> <p>YES/NO</p>	<p>49,661,000</p> <p>14,055,000</p> <p>4,685,000</p> <p>30,921,000</p>	

Category (including Disbursement Linked Indicator as applicable)	Disbursement Linked Result (as applicable)	Formula	Amount of the Financing Allocated (expressed in EUR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
	densification, and become electricity consumers	EUR 146.547] per new household connected. Target is 211,000 connections.		
(6) DLI#6: Increase in renewable electricity supply to grid-connected and off-grid consumers	DLR# 6.1: Generation, Transmission and Distribution Master Plan approved by MINEE. DLR#6.2 Energy generated by solar photovoltaic plants commissioned after January 1, 2024, is supplied to grid-connected and mini-grid consumers.	YES / NO EUR 419,616 /GWh of energy generated by solar PV plants Target of 44.66 GWh.	31,858,000 13,118,000 18,740,000	
(7) DLI#7: Increase in available transformation capacity in transmission substations operated by SONATREL	DLR#7.1 ARSEL has reviewed and approved SONATREL's investment plan 2024-2028, including tools to improve SONATREL's performance	YES / NO	61,842,000 9,370,000 5,622,000	
	DLR#7.2			

Category (including Disbursement Linked Indicator as applicable)	Disbursement Linked Result (as applicable)	Formula	Amount of the Financing Allocated (expressed in EUR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
	<p>Updated Performance Contract incorporating investment plan approved by ARSEL has been signed by the Recipient and SONATREL</p> <p>DLR#7.3</p> <p>Increase in the total available transformation capacity in transmission substations operated by SONATREL</p>	<p>YES / NO</p> <p>EUR 14,935per MVA of transformation capacity added.</p> <p>Baseline: 2,898 MVA Target: 3 136,9 MVA</p>	<p>46,850,000</p>	
(8) Goods, Works, non-consulting services, consulting services, Training and Workshops, and Incremental Operating Costs for the Project			<p>18,740,000</p>	<p>100%</p>
TOTAL AMOUNT			<p>281,100,000</p>	

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, except that withdrawals up to an aggregate amount not to exceed EUR 3,748,000 may be made for payments made prior to this date but on or after July 1, 2023, for Eligible Expenditures under Category (8); or
 - (b) for any DLR under, until and unless the Recipient has furnished evidence satisfactory to the Association that said DLR has been achieved.
2. Notwithstanding the provisions of Part B.1 (b) of this Section, the Recipient may withdraw: (a) an amount not to exceed EUR 49,166,000 as an advance; provided, however, that if the DLRs in the opinion of the Association, are not achieved (or are only partially achieved) by the Closing Date, the Recipient shall refund such advance (or portion of such advance as determined by the Association in accordance with the provisions of paragraph (3) of this Part B) to the Association promptly upon notice thereof by the Association. Except as otherwise agreed with the Recipient, the Association shall cancel the amount so refunded. Any further withdrawals requested as an advance under any Category shall be permitted only on such terms and conditions as the Association shall specify by notice to the Recipient.
3. Notwithstanding the provisions of Part B.1 (b) of this Section, if any of the DLR has not been achieved by the date by which the said DLR is set to be achieved (or such later date as the Association has established by notice to the Recipient), the Association may, by notice to the Recipient: (a) authorize the withdrawal of such lesser amount of the unwithdrawn proceeds of the Financing then allocated to said Category which, in the opinion of the Association, corresponds to the extent of achievement of said DLR, said lesser amount to be calculated in accordance with the formula set out in the table in Part A above; (b) reallocate all or a portion of the proceeds of the Financing then allocated to said DLR to any other DLR ; and/or (c) cancel all or a portion of the proceeds of the Financing then allocated to said DLR.
4. The Closing Date is June 30, 2028.

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SCHEDULE 3
Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each May 15 th and November 15:	
Commencing November 15 th 2028 to and including May 15 th 2048	1.65%
commencing November 15 th 2048 to and including May 15 th 2053	3.40%

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



APPENDIX

Definitions

1. "AER" means *Agence d'Électrification Rurale*, the Recipient's rural electrification agency, organized and operating pursuant to Law No.098-022 dated December 24, 1998, or any successor thereto.
2. "Allocated Amounts" means the amounts in Special Drawing Rights allocated to each individual DLR in the table in Section IV.A.1 of Schedule 2 to this Agreement, or determined for each DLR pursuant to the formula detailed, in Schedule 3 to this Agreement, as such amount might be increased, reallocated and/or cancelled (whether partially or in its entirety) by the Association, from time to time, as the case may be, in accordance with the provisions of Section IV.B.3 of Schedule 2 to this Agreement.
3. "Annual Work Plan & Budget" means the yearly work plans and budgets for the Project to be prepared, approved and implemented by the Recipient pursuant to Section I.E of Schedule 2 to this Agreement pursuant to the protocols and requirements further elaborated in the Operational Manual.
4. "Anti-Corruption Guidelines" means: (i) for purposes of paragraph 5 of the Appendix to the Program General Conditions, the Association's "Guidelines on Preventing and Combating Fraud and Corruption in Program-for-Results Financing," dated February 1, 2012, and revised July 10, 2015; and (ii) for purposes of paragraph 5 of the Appendix to the Project 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.
5. "ARSEL" means *Agence de Régulation du Secteur de l'Électricité*, the Recipient's electricity sector regulator, created and operating pursuant to the Recipient's Decree 2013/203, dated June 28, 2013, or any successor thereto.
6. "Basis Adjustment to the Interest Charge" means the Association's standard basis adjustment to the Interest Charge for credits in the currency of denomination of the Credit, in effect at 12:01 a.m. Washington, D.C. time, on the date on which the Credit is approved by the Executive Directors of the Association, and expressed either as a positive or negative percentage per annum.
7. "Basis Adjustment to the Service Charge" means the Association's standard basis adjustment to the Service Charge for credits in the currency of denomination of the Credit, in effect at 12:01 a.m. Washington, D.C. time, on the date on which the Credit is approved by the Executive Directors of the Association, and expressed as a percentage per annum.



8. “Billing Improvement Plan” means a plan to improve metering of electricity consumption of public agencies and public lighting approved by MINEE and satisfactory to the Association.
9. “Category” means a category set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement.
10. “CELCOR/MINEE” means *Cellule de Lutte contre la Corruption du MINEE*, the Recipient’s anti-corruption unit in the MINEE.
11. “CoA” means *Chambre de Comptes de la Cour Suprême*, the Recipient’s chamber of accounts of the supreme court, organized and operating pursuant to Law No. 2003/005, dated April 21, 2003, or any successor thereto.
12. “Compensation” or “C” means annual value of compensation MAR-TR, determined by ARSEL.
13. “Disbursement Linked Indicator” or “DLI” means in respect of a given Category, the indicator related to said Category as set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement.
14. “Disbursement Linked Result” or “DLR” means in respect of a given Category, the result under said Category as set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement, on the basis of the achievement of which, the amount of the Financing allocated to said result may be withdrawn in accordance with the provisions of said Section IV.
15. “EDC” means Electricity Development Corporation, the Recipient’s energy company in charge of power generation, organized and operating pursuant to Decree No. 2006/406 dated November 29, 2006, or any successor thereto.
16. “ENEEO” means Energy of Cameroon S.A, a private corporation created and operating pursuant to the laws of the Recipient, in charge of electricity generation, distribution and sale activities pursuant a concession contract with the Recipient.
17. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated June 23, 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.
18. “Environmental and Social Standards” or “ESSs” means, collectively:
 - (i) “Environmental and Social Standard 1: Assessment and Management of



Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Association.

19. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Program-for-Results Financing”, dated December 14, 2018 (Last revised on July 15, 2023).
20. “Generation, Transmission and Distribution Master Plan” means a plan for expansion and rehabilitation, reinforcement and upgrade of electricity generation, transmission and distribution infrastructure approved by MINEE substantially in the form of a final draft plan prepared in accordance with the technical views of the Association.
21. “Incremental Operating Costs” means the incremental operating costs, based on Annual Work Plans and Budgets, and arising under the Project, on account of Project coordination, implementation and monitoring activities, including office equipment and supplies, maintenance of equipment, insurance costs, office administration costs, rental, consumables, accommodation, vehicle operation and maintenance costs, utilities, communication charges, *per diems* and travel allowances, remuneration of staff of the OIU, but excluding the salaries of the Recipient’s civil service and sitting allowances.
22. “Independent Verification Agent” means one or more individuals or entities hired by the Recipient pursuant to Section I.D. of Schedule 2 to this Agreement, in charge of preparing the verification reports certifying the achievement of the DLRs.
23. “Inter-Ministerial Committee” means the committee referred to in Section I.A.3 of Schedule 2, created and operating by the Recipient’s *Arreté* No. 021/PM dated March 6, 2023.
24. “MAR” means maximum allowed revenues of the sector to carry out operations, determined every year by ARSEL.



25. "MINEE" means *Ministère de l'Eau et de l'Energie*, the Recipient's ministry in charge of water resources and energy, or any successor thereto.
26. "MINFI" means *Ministère des Finances*, the Recipient's ministry in charge of finance, or any successor thereto.
27. "National Electrification Master Plan" or "NEMP" means a plan to increase access to electricity service approved by MINEE substantially in the form of a final draft plan prepared in accordance with the technical views of the Association.
28. "Operation" means, jointly, the Program and the Project described, respectively, in Parts 1 and 2 of Schedule 1 to this Agreement.
29. "Operational Manual" means the manual to be developed and adopted by the Recipient for the carrying out of the Operation, pursuant to the provision of Section 1 of Schedule 2 to this Agreement, and as a condition precedent for the effectiveness of this Agreement.
30. "Owner's Engineer" means a qualified consultancy firm acceptable to the Association in charge of assisting the OIU in the design and implementation of specific components of the operation, referred to in Section I.A.3(d) of Schedule 1 to this Agreement, as further set out in the Operational Manual.
31. "Procurement Regulations" means, for purposes of paragraph 85 of the Appendix to the Project General Conditions, the "World Bank Procurement Regulations for IPF Borrowers", dated November 2020.
32. "Program General Conditions" means the "International Development Association General Conditions for IDA Financing, Program-for-Results Financing", dated December 14, 2018 (revised on August 1, 2020, April 1, 2021, and January 1, 2022)
33. "Project 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).
34. "Program Action Plan" means the Recipient's plan referred to in Section I.C of Schedule 2 to this Agreement, and a part of the Operational Manual, as may be amended from time to time with the agreement of the Association.
35. "RG" means revenue gap which is equal to the difference between maximum allowed revenues and tariff revenues, expressed as a percentage of maximum allowed revenues as further detailed in the Operational Manual.



36. "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.
37. "SONATREL" means *Société Nationale de Transport de l'Électricité du Cameroun*, the national electricity transmission company of the Recipient created and operating pursuant to the Recipient's Decree 2020/233, dated April 23, 2020, or any successor thereto.
38. "Tariff Revenue" or "TR" means the annual tariff revenues of ENEO resulting from sales to customers at applicable tariff rates for the year, determined by ARSEL.
39. "Training and Workshops" means the reasonable cost of trainings, study tours, conferences and workshops conducted and/or attended by the Recipients officers and personnel, as well as those of beneficiary agencies and/or other stakeholders, in the territory of the Recipient or, subject to the Associations' prior no objection, overseas, including the purchase and publication of materials, rental of facilities, course fees, and lodging, travel expenses and per diems for trainers and/or trainees.
40. "Updated Performance Contract" means the updated contract signed between MINEE and SONATREL incorporating an investment plan approved by ARSEL.
41. "Verification Protocol" means the verification protocol agreed between the Recipient and the Association, which shall form part of the Operational Manual, setting forth the basis and methodology for verification of the achievement of Disbursement-Linked Results, as the same may be modified from time to time with the prior written agreement of the Association.

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