Financing Agreement

(Inclusive and Resilient Cities Development Project)

between

REPUBLIC OF CAMEROON

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated 28 FEV, 2019
FINANCING AGREEMENT

AGREEMENT dated 28 FEB 2019, entered into 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 General Conditions (as defined in the Appendix to this Agreement) constitute an integral 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, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to one hundred forty-two million seven hundred thousand Euro (EUR 142,700,000) (variously, "Credit" and "Financing"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").

2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.

2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.

2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to the greater of: (a) the sum of three-fourths of one percent (3/4 of 1%) per annum plus the Basis Adjustment; and (b) three-fourths of one percent (3/4 of 1%) per annum.

2.05. The Interest Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to the greater of: (a) the sum of one and a quarter percent (1.25%) per annum plus the Basis Adjustment; and (b) zero percent (0%) per annum.

2.06. The Payment Dates are February 15 and August 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 — PROJECT

3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project through MINHDU in accordance with the provisions of Article IV of the General Conditions.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

4.01. The Additional Conditions of Effectiveness consist of the following:

(a) The Recipient has established the Project Steering Committee in accordance with the provisions of Section I.A.1 of Schedule 2 to this Agreement.

(b) The Recipient has established the Project Coordination Unit and recruited to said Project Coordination Unit, a coordinator, procurement specialist, financial management specialist and an accountant in accordance with the provisions of Section I.A.2 of Schedule 2 to this Agreement.

(c) The Recipient has established the Tender Board in accordance with the provisions of Section I.A.3 of Schedule 2 to this Agreement.

(d) The Recipient has adopted the Project Implementation Manual in accordance with the provisions of Section I.C of Schedule 2 to this Agreement.

4.02. The Effectiveness Deadline is the date ninety days (90) days after the date of this Agreement.

4.03. For purposes of Section 8.05 (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 date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Recipient’s Representative is its minister at the time responsible for economy, planning and regional development.
5.02. The Recipient's Address is:

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

Facsimile:

(237) 222 22 15 09

5.03. The Association's Address is:

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

Telex: Facsimile:

248423 (MCI) 1-202-477-6391
AGREED at YAOUNDE 28 FEB 2019, as of the day and year first above written.

REPUBLIC OF CAMEROON

By

Authorized Representative

Name: Alamine Ousmane May

Title: 

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: Elisabeth Haybors

Title: Country Director
SCHEDULE 1

Project Description

The objective of the Project is to improve urban management and access to infrastructure in selected urban areas, particularly poor neighborhoods, and increase resilience to natural hazards and other Eligible Crises or Emergency.

The Project consists of the following parts:

Part A. Strengthening Capacity for Inclusive and Resilient Urban Management

Provision of technical assistance to relevant national and local level government institutions to strengthen their capacity to develop and implement inclusive and resilient urban development strategies and programs and improve urban management through:

1. Provision of technical assistance to CTDs to strengthen their capacity in urban management through, *inter alia*, preparation of sector land use plans; development of asset management systems for operating and maintenance of urban roads and drainage; carrying out of urban mobility studies; enhancement of urban planning systems for the design, development, and maintenance of urban infrastructure and services notably in poor neighborhoods, integration of climate change resilience and adaptation guidelines into sector land use and management plans; carrying out of public accountability and citizen engagement activities in urban development; and carrying out of studies on enhanced functionality and management of youth centers.

2. Provision of technical assistance to relevant departments within MINHDU and MINDCAF to improve urban planning and land management tools for more inclusive and resilient cities through, *inter alia*, operationalization of the Recipient’s Urban Database, establishment of programming and management tools for MINHDU investments in cities under the Recipient’s public investment budget, carrying out of assessments and consequent improvement of the Recipient’s contracting procedures with its cities, review and operationalization of the Recipient’s strategy for integrated neighborhood upgrading, preparation of guidelines/regulations for urban planning, provision of support for reform of the legal framework for resettlement and compensation procedures, carrying out of plot surveys in select intervention areas within the Beneficiary Cities, development and piloting of urban land readjustment methods, and provision of equipment for the modernization of land appraisals.
Part B. Improving Connectivity and Living Environment in Beneficiary Cities

Improvement of urban/city connectivity and integration of poor neighborhoods, access to infrastructure and basic services in targeted neighborhoods, and the broader living environment of Beneficiary Cities through:

1. Construction and rehabilitation of urban trunk roads to enhance connectivity within the Beneficiary Cities, including upgrading of cumulatively 33 km of urban roads in Yaoundé, Douala, Ngaoundéré, Kumba and Batouri.

2. Construction or rehabilitation of demand-driven neighborhood improvement infrastructure, including, *inter alia*, local roads, pedestrian paths, small bridges, street lighting, storm water drainage systems and slope stabilization infrastructure, community facilities, notably small health centers, schools, youth or community centers and other public spaces including leisure/social sports spaces, parks and green areas, streetscapes and extension of water distribution networks.

3. Provision of: (i) grants to support economically inclusive neighborhood improvement initiatives with a priority on the inclusion of women and young people; and (ii) provision of technical assistance and training to Recipient communities.

4. Carrying out of investments to improve the overall urban environment and enhance resilience to flooding in Beneficiary Cities, including, *inter alia*: (i) construction and/or rehabilitation of storm water drainage systems in Douala; (ii) support towards the construction of waste water treatment plants in Douala, including: (a) construction of a fecal sludge treatment plant in the Ngombe neighborhood of Douala; and (b) preparation of technical studies and procurement documents for a second fecal sludge treatment plant in Douala; (iii) carrying out of activities to preserve the natural drainage capacity in Beneficiary Cities, through, *inter alia*, planting of trees around natural drainage basins and wetlands in select areas in Douala, Yaoundé, Ngaoundéré, and Batouri; and (iv) pilot investments to improve pedestrian mobility in Yaoundé.

Part C. Contingent Emergency Response

Contingent emergency response through the provision of immediate response to an Eligible Crisis or Emergency, as needed.

Part D. Project Management, Coordination, Monitoring and Evaluation

Project coordination, management and monitoring, preparation of financial audits periodic evaluations through, *inter alia*, advisory services, purchase of equipment, provision of Training, Operating Costs and monitoring and evaluation activities.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. Project Steering Committee

   (a) The Recipient shall establish and maintain, at all times during the implementation of the Project, a Project steering committee with a mandate, composition and resources satisfactory to the Association ("Project Steering Committee").

   (b) Without limitation upon the provisions of paragraph (a) of Section I.A.1 of this Schedule 2, the Project Steering Committee shall be chaired by the minister of MINHUD or his or her representative and shall be comprised of, _inter alia_, representatives of the Recipient's ministries responsible for economy, finance, state property, territorial administration and decentralization; selected delegates of Beneficiary Cities; and representatives of relevant public institutions.

   (c) The Project Steering Committee shall meet at least semi-annually and shall be responsible for Project oversight, including, _inter alia_: (i) reviewing the proposed Annual Work Plans and Budgets for the Project; (ii) providing overall Project oversight and strategic guidance; (iii) facilitating adequate coordination with relevant stakeholders and alignment with sector strategies; and (iv) identifying necessary Project adjustments based on monitoring and evaluation reports.

2. Project Coordination Unit

   (a) The Recipient shall establish and maintain at all times until the completion of the Project, a Project coordination unit within MINHUD with terms of reference and resources satisfactory to the Association ("Project Coordination Unit").

   (b) Without limitation upon the provisions of paragraph (a) of Section I.A.2 of this Schedule 2, the Project Coordination Unit shall at all times: (i) be comprised of qualified and experienced personnel in adequate numbers, and to this end, the Recipient shall recruit, _inter alia_: (A) a coordinator, a procurement specialist, a financial management specialist and an accountant; and (B) no later than three (3) months after the Effective Date, an internal auditor, a civil engineer, a municipal development specialist, an environmental specialist, a social development specialist and a
monitoring and evaluations specialist, all with qualifications and terms of reference acceptable to the Association; and (ii) be responsible for the day-to-day Project coordination and implementation of the Project, including: (A) preparing proposed annual work plans of activities for inclusion in the Project, and updating the procurement plan and related budgets and preparation of the Project Reports for the Project Steering Committee’s review; (B) carrying out applicable Project financial management and procurement activities; (C) ensuring compliance with the applicable safeguards-related obligations; and (D) monitoring and evaluating the applicable parts of the Project.

3. **Tender Board**

To facilitate the carrying out of all Project procurement activities, the Recipient shall establish and maintain, at all times during the implementation of the Project, a special procurement tender board within MINHDU, with a mandate, composition, terms of reference and resources satisfactory to the Association ("Tender Board").

B. **Anti-Corruption**

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

C. **Project Implementation Manual**

1. The Recipient shall prepare or cause to be prepared, in accordance with terms of reference acceptable to the Association, a Project implementation manual, containing detailed arrangements and procedures for: (a) institutional coordination and day-to-day execution of the Project; (b) Project budgeting, disbursement and financial management; (c) procurement; (d) monitoring and evaluation, reporting and communication; (e) environmental and safeguard management; and (f) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project.

2. The Recipient shall afford the Association a reasonable opportunity to review and approve such manual, and shall thereafter adopt or cause to be adopted such manual as shall have been approved by the Association ("Project Implementation Manual").

3. The Recipient shall ensure that the Project is carried out in accordance with the Project Implementation Manual and shall, not amend, abrogate, waive, or permit to be amended, abrogated, or waived, the aforementioned, or any provision thereof, without the prior written consent of the Association.
4. In the event of any conflict between the provisions of the Project Implementation Manual and those of this Agreement, the provisions of this Agreement shall prevail.

D. Annual Work Plans and Budgets

1. Not later than November 30, in each calendar year (or one month after the Effective Date for the first year of Project implementation), the Recipient shall prepare or cause to be prepared for the purpose of forwarding to the Association, a draft annual work plan and budget for the Project (including Training and Operating Costs) for the subsequent calendar year of Project implementation, of such scope and detail as the Association shall have reasonably requested.

2. The Recipient shall afford the Association a reasonable opportunity to review such draft annual work plan and budget, and thereafter shall carry out (or cause to be carried out) such annual work plan and budget during such subsequent calendar year as shall have been approved by the Association ("Annual Work Plan and Budget"). Only those activities that are included in an Annual Work Plan and Budget shall be eligible for financing out of the proceeds of the Financing.

3. Any Training proposed to be included in an Annual Work Plan and Budget, shall include, inter alia: (a) particulars of the Training envisaged; (b) the criteria for selection of the personnel to be trained, and such personnel if known; (c) the selection method of the institution or individuals conducting such Training; (d) the institution conducting such Training if identified; (e) the purpose and justification for such Training; (f) the location and duration of the proposed training; and (g) the estimate of the cost of such Training.

4. Annual Work Plans and Budgets may be revised as needed during Project implementation, subject to the Association’s prior written approval.

E. Safeguards

1. The Recipient shall implement the Project in accordance with the relevant Safeguards Instruments, and shall, to that end:

(a) if any activity under the Project would require the adoption of any Supplemental Safeguard Instrument:

(i) prepare: (A) such Supplemental Safeguard Instrument in accordance with the applicable ESMF or RPF; (B) furnish such Supplemental Safeguard Instrument to the Association for review and approval; and (C) thereafter adopt such Supplemental Safeguard Instrument prior to implementation of the activity; and
(ii) thereafter take such measures as shall be necessary or appropriate to ensure full compliance with the requirements of such Supplemental Safeguard Instrument; and

(b) if any activity under the Project would involve Affected Persons, ensure that no displacement (including restriction of access to legally designated parks and protected areas) shall occur before resettlement measures under a Supplemental Safeguard Instrument prepared in accordance with the RPF including, in the case of displacement, full payment to Affected Persons of compensation and of other assistance required for relocation, have been taken.

2. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall, for each Supplemental Safeguard Instrument, regularly collect, compile and furnish to the Association reports, in form and substance satisfactory to the Association, on the status of compliance with each Supplemental Safeguard Instrument, as part of the Project Reports, giving details of:

(a) measures taken in furtherance of such Supplemental Safeguard Instrument;

(b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such Supplemental Safeguard Instrument; and

(c) remedial measures taken or required to be taken to address such conditions.

3. In the event that any provision of the Safeguards Instruments shall conflict with any provision under this Agreement, the provisions of this Agreement shall prevail.

4. The Recipient shall ensure that:

(a) all terms of reference for any technical assistance and studies to be carried out under the Project are consistent with the Association’s environmental and social safeguard policies; and

(b) in any Project activity that may support the drafting of regulatory instruments for the purpose of community development planning or other land related reforms, due attention will be given to said policies.
F. Contingent Emergency Response

In order to ensure the proper implementation of Part C of the Project, the Recipient shall:

1. (a) prepare and furnish to the Association for its review and approval, an operations manual which shall set forth detailed implementation arrangements for Part C of the Project, including:

(i) confirmation of designation of, terms of reference for, and resources to be allocated to, the entity to be responsible for coordinating and implementing Part C of the Project ("Coordinating Authority");

(ii) specific activities which may be included in Part C of the Project, Eligible Expenditures required therefor ("Emergency Expenditures"), and any procedures for such inclusion;

(iii) financial management arrangements for Part C of the Project;

(iv) procurement methods and procedures for Emergency Expenditures to be financed under Part C of the Project;

(v) documentation required for withdrawals of Emergency Expenditures;

(vi) environmental and social safeguard management frameworks, including any Environmental and Social Screening and Assessment Framework for Part C of the Project, consistent with the Association’s policies on the matter; and

(vii) any other arrangements necessary to ensure proper coordination and implementation of Part C of the Project;

(b) afford the Association a reasonable opportunity to review said proposed operations manual;

(c) promptly adopt such operations manual for said Part C of the Project as shall have been approved by the Association ("CERC Operations Manual");

(d) ensure that Part C of the Project is carried out in accordance with the CERC Operations Manual; provided, however, that in the event of any inconsistency between the provisions of the CERC Operations Manual and this Agreement, the provisions of this Agreement shall prevail; and
(e) refrain from amending, suspending, abrogating, repealing or waiving any provision of the CERC Operations Manual without prior approval by the Association.

2. The Recipient shall, throughout the implementation of Part C of the Project, maintain the Coordinating Authority, with qualified staff and financial resources satisfactory to the Association.

3. The Recipient shall undertake no activities under Part C of the Project (and no activities shall be included in said Part of the Project) unless and until the following conditions have been met in respect of said activities:

(a) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include said activities in Part C of the Project in order to respond to said Eligible Crisis or Emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof;

(b) the Recipient has prepared and disclosed all safeguards instruments required for said activities, in accordance with the CERC Operations Manual, the Association has approved all such instruments, and the Recipient has implemented any actions which are required to be taken under said instruments.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association. Each Project Report shall cover the period of one calendar semester and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.

2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.
3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09(b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

4. In furtherance of the provisions of this Section II.B of Schedule 2 to this Agreement, the Recipient shall install within the PCU, not later than three (3) months after the Effective Date, a computerized financial and accounting system in a manner satisfactory to the Association.

5. In order to ensure the timely carrying out of the audits referred to in Section II. B.3 of this Schedule, the Recipient shall engage external auditors for the purpose, not later than six (6) months after the Effective Date, in accordance with the provisions of Section III of this Schedule 2.

Section III. Procurement

A. General

1. **Goods, Works and Non-consulting Services.** All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. **Consultants’ Services.** All consultants’ services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.

3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods, Works and Non-consulting Services

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Limited International Bidding</td>
</tr>
<tr>
<td>(b) National Competitive Bidding, subject to the additional procedures set forth in paragraph 3 below</td>
</tr>
<tr>
<td>(c) Shopping</td>
</tr>
<tr>
<td>(d) Direct Contracting</td>
</tr>
<tr>
<td>(e) Framework Agreements</td>
</tr>
</tbody>
</table>

3. **Requirements for the National Competitive Bidding.** The procedures to be followed for National Competitive Bidding shall be those set forth in the Recipient’s Procurement Code of September 24, 2004, as revised from time to time in a manner deemed acceptable to the Association, subject, however, to the modifications described in the following paragraphs required for compliance with the Procurement Guidelines.

(a) in accordance with paragraph 1.16 (e) of the Procurement Guidelines, each bidding document and contract financed out of the proceeds of the Financing shall provide that: (i) the bidders, suppliers, contractors and their subcontractors, agents, personnel, consultants, service providers, or suppliers shall permit the Association, at its request, to inspect all accounts, records and other documents relating to the submission of bids and contract performance, and to have said accounts and records audited by auditors appointed by the Association; and (ii) the deliberate and material violation of such provision may amount to an obstructive practice as defined in paragraph 1.16 (a)(v) of the Procurement Guidelines;

(b) the invitation to bid shall be advertised in, at least, one national newspaper with wide circulation;

(c) the bid evaluation, qualification of bidders and contract award criteria shall be clearly indicated in the bidding documents;
(d) the bidders shall be given adequate response time (at least four weeks) from the date of the invitation to bid or the date of availability of a bidding documents, whichever is later, to prepare and submit their bids;

(e) eligible bidders, including foreign bidders, shall be allowed to participate;

(f) no domestic preference shall be given to domestic contractors and to domestically manufactured goods and association with national firm shall not be a condition for participation in a bidding process;

(g) bids are awarded to the lowest evaluated bidder provided that such bidder is qualified; no scoring system shall be allowed for the evaluation of bids, and no “blanket” limitation to the number of lots which can be awarded to a bidder shall apply;

(h) qualification criteria shall only concern the bidder’s capability and resources to perform the contract, taking into account objective and measurable factors; and

(i) fees charged for bidding documents shall be reasonable and reflect only the cost of printing and delivery to the prospective bidders.

C. Particular Methods of Procurement of Consultants’ Services

1. Quality- and Cost-based Selection. Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.

2. Other Methods of Procurement of Consultants’ Services. The following methods, other than Quality and Cost-based Selection, may be used for procurement of consultants’ services for those contracts which are specified in the Procurement Plan:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Quality-Based Selection</td>
</tr>
<tr>
<td>(b) Selection under a Fixed Budget</td>
</tr>
<tr>
<td>(c) Least Cost Selection</td>
</tr>
<tr>
<td>(d) Selection Based on the Consultants’ Qualifications</td>
</tr>
<tr>
<td>(e) Single-Source Selection</td>
</tr>
<tr>
<td>(f) Individual Consultants</td>
</tr>
</tbody>
</table>
D. Review by the Association of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Association's Prior Review. All other contracts shall be subject to Post Review by the Association.

E. Other Procurement Covenants

The Recipient shall, no later than two (2) months after the Effective Date, train the procurement staff of the Project Coordination Unit in the use of the Association's procurement procedures in a manner satisfactory to the Association.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing (“Category”), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Credit Allocated (expressed in EUR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, consultants' services, Training and Operating Cost for Parts A and D of the Project.</td>
<td>16,000,000</td>
<td>100% (excluding value added tax and custom duties)</td>
</tr>
<tr>
<td>(2) Goods, works, non-consulting services, and consultants’ services for Part B of the Project, except Part B.3(i) of the Project.</td>
<td>119,500,000</td>
<td>100% (excluding value added tax and custom duties)</td>
</tr>
<tr>
<td>(3) Grants under Part B.3(i) of the Project.</td>
<td>2,200,000</td>
<td>100% of the Grant</td>
</tr>
<tr>
<td>(4) Emergency Expenditures under Part C of the Project.</td>
<td>0</td>
<td>100% (excluding value added tax and custom duties)</td>
</tr>
<tr>
<td>(5) Refund of Preparation Advance</td>
<td>1,800,000</td>
<td>Amount payable pursuant to Section 2.07 of the General Conditions</td>
</tr>
<tr>
<td>(6) Unallocated</td>
<td>3,200,000</td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL AMOUNT**  
142,700,000

**B. Withdrawal Conditions; Withdrawal Period**

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

   (a) for payments made prior to the date of this Agreement; or

   (b) under Category (2) unless the Recipient has disclosed in country and in the Association's *InfoShop* the Safeguards Instruments required for each Beneficiary City under the Project in accordance with the provisions of Section I.E.1 of this Schedule 2; or
(c) under Category (3) unless the Recipient has adopted the grants operations manual in accordance with the provisions of Section V.B of this Schedule 2; or

(d) under Category (4), unless the Association is satisfied, and so indicates by written notification to the Recipient, that all of the following conditions have been met with respect to activities under Part C of the Project:

(i) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include said activities under Part C of the Project in order to respond to said Eligible Crisis or Emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof;

(ii) the Recipient has prepared and disclosed in country and in the Association’s InfoShop all Safeguards Instruments required for said activities, and the Recipient has implemented any actions which are required to be taken under said Safeguards Instruments, all in accordance with the provisions of Section I.F.3(b) of this Schedule 2;

(iii) the Recipient’s Coordinating Authority is adequately staffed and resourced as provided for under the provisions of Section I.F.2 of this Schedule 2, for the purposes of said activities; and

(iv) the Recipient has adopted an CERC Operations Manual in form, substance and manner acceptable to the Association and the provisions of the CERC Operations Manual remain or have been updated in accordance with the provisions of Section I.F.1(c) of this Schedule 2 so as to be appropriate for the inclusion and implementation of said activities under the Part C of the Project.

2. The Closing Date is March 31, 2024.

Section V. Other Undertakings

A. To facilitate the implementation of Parts A.1, B.1, B.2, and B.4 of the Project, no later than three months after the Effective date, the Recipient has, through MINHDU, executed implementation contracts with each Beneficiary City in form and substance satisfactory to the Association.

B. To facilitate the implementation of Part B.3 of the Project, the Recipient shall prepare and adopt a grants operations manual in form and substance satisfactory to the Association.
C. The Recipient shall finance any and all custom duties and value added tax applicable to all Eligible Expenditures.
### SCHEDULE 3

**Repayment Schedule**

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each February 15 and August 15:</td>
<td></td>
</tr>
<tr>
<td>commencing February 15, 2023 to and including August 15, 2042</td>
<td>1.65%</td>
</tr>
<tr>
<td>commencing February 15, 2043 to and including August 15, 2047</td>
<td>3.35%</td>
</tr>
</tbody>
</table>

* 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 3.03 (b) of the General Conditions.
APPENDIX

Section I. Definitions

1. “Affected Person” means a person who as a result of the involuntary taking of land under the Project is affected in any of the following ways: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not the affected person must move to another location; or (iv) the involuntary restriction of access to legally designated parks and protected areas suffers adverse impacts on his or her livelihood; and “Affected Person” means any of the Affected Persons.

2. “Annual Work Plan and Budget” means the annual work plan and budget as prepared by the Recipient and approved by the Association in accordance with the provisions of Section I.D of Schedule 2 to this Agreement.


4. “Beneficiary Cities” means the Recipient’s cities of Ngaoundéré in the Adamawa region Maroua and Kousséri in the far north region, Kumba in the south-west region, Batouri in the east region, Yaoundé in the central region and Douala in the littoral region.

5. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.

6. “CERC Operations Manual” means the operations manual referred to in Section I.F.1(c) of Schedule 2 to this Agreement, to be adopted by the Recipient for purposes of Part C of the Project in accordance with the provisions of said Section.


8. “Coordinating Authority” means the entity or entities designated by the Recipient in the CERC Operations Manual and approved by the Association pursuant to Section I.F.1 of Schedule 2 to this Agreement, to be responsible for coordinating Part C of the Project.

10. "Eligible Crisis or Emergency" means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.

11. "Emergency Expenditure" means any of the Eligible Expenditures for goods, works and/or services, as detailed in the CERC Operations Manual, required to carry out one or more of the activities provided for under Part C of the Project.

12. "Environmental and Social Impact Assessment" and "ESIA" mean an assessment, approved by the Association for the project, to be carried out by the Recipient to evaluate the Project's potential environmental and social risks and impacts in its area of influence, examine alternatives and identify ways of mitigating and managing adverse environmental and social impact throughout Project implementation, as the same may be amended from time to time with the agreement of the Association.

13. "Environmental and Social Management Framework" or "ESMF" means the framework disclosed in the Recipient's territory and at the Association's Infoshop on April 27, 2017, in form and substance satisfactory to the Association, setting out modalities to be followed in assessing the potential adverse environmental impact, including impact on physical cultural resources, associated with activities to be implemented under the Project, and the measures to be taken to offset, reduce, or mitigate such adverse impact.

14. "Environmental and Social Management Plan" and "ESMP" mean a plan, approved by the Association for the Project, to be prepared by the Recipient, proposing appropriate mitigation, monitoring and institutional measures designed to mitigate potential adverse environmental and resettlement impacts, offset them, reduce them to acceptable levels or enhance positive impacts, as the same may be amended from time to time with the agreement of the Association.

15. "Environmental and Social Screening and Assessment Framework" and ESSAF mean the environmental and social screening and assessment framework or action plan included in the CERC Operations Manual, if any.

16. "General Conditions" means the "International Development Association General Conditions for Credits and Grants", dated July 31, 2010, with the modifications set forth in Section II of this Appendix.

17. "MINDCAF" means the Recipient's ministry responsible for state property, surveys, and land tenure, and any successor thereto.

18. "MINHDU" means the Recipient's ministry responsible for housing and urban development, and any successor thereto.
19. "Operating Costs" means the incremental operating expenses, based on annual budgets approved by the Association, on account of the Project, consisting of operation and maintenance costs of office, vehicles and office equipment; water and electricity utilities, telephone, office supplies, bank charges, salaries of contractual staff, travel and supervision costs including per diem, but excluding the salaries and indemnities of officials and public servants of the Recipient's civil service.

20. "Preparation Advance" means the advance referred to in Section 2.07 of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association and on behalf of the Recipient on March 2, 2016.


22. "Procurement Plan" means the Recipient's procurement plan for the Project, dated June 19, 2017 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

23. "Project Coordination Unit" means the coordination unit for the Project to be established and maintained by the Recipient in accordance with the provisions of Section I.A.2 of Schedule 2 to this Agreement.

24. "Project Implementation Manual" or "PIM" means the implementation manual to be prepared and adopted by the Recipient in accordance with the provisions of Section I.C of Schedule 2 to this Agreement, containing detailed arrangements and procedures for: (a) institutional coordination and day-to-day execution of the Project; (b) Project budgeting, disbursement and financial management; (c) procurement; (d) monitoring, evaluation, reporting and communication; and (e) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project, as the same may be amended from time to time with the prior written consent of the Association.

25. "Project Steering Committee" means the Recipient's steering committee for the Project to be established and maintained by the Recipient in accordance with the provisions of Section I.A.1 of Schedule 2 to this Agreement.

26. "Resettlement Action Plan" and "RAP" mean a plan prepared by the Recipient and approved by the Association for the Project, that outlines the mitigation measures for addressing any resettlement risks associated with the Project, as the said document may be amended and/or supplemented from time to time with the prior
written concurrence of the Association, and subject to the initial consultation and disclosure requirements carried out with respect therewith.

27. "Resettlement Policy Framework" or "RPF" means the document prepared by the Recipient in form and substance satisfactory to the Association and disclosed in the Recipient’s territory on April 21, 2017 and at the Association’s Infoshop on April 24, 2017, outlining the policies and procedures to be implemented in the event that specific activities implemented under the Project have potentially negative impacts on the livelihoods, assets and land of the affected population, as the said framework may be amended and/or supplemented from time to time with the prior written consent of the Association, and such term includes any schedules to such document.

28. "Safeguards Instruments" means, collectively, the ESMF, RPF, ESIA, ESSAF, ESMP and RAP or any Supplemental Social and Environmental Safeguard Instruments.

29. "Supplemental Social and Environmental Safeguard Instruments" mean any ESMP, RAP or other supplemental social and environmental safeguard instruments as required under the terms of the ESMF, RPF or the ESSAF referred to under Section I.E.1(a) of Schedule 2 to this Agreement.

30. "Tender Board" means the procurement tender board to be established by the Recipient pursuant to Section I.A.3 of Schedule 2 to this Agreement.

31. "Training" means the training of persons under the Project, including through seminars, workshops, knowledge sharing activities and study tours, and covers the following costs associated with such activity: travel and subsistence costs for training participants, costs associated with securing the services of trainers, rental of training facilities, preparation and reproduction of training materials, and other costs directly related to training preparation and implementation.

32. "Urban Database" means the database established within MINHDU for collection and documentation of urban related indicators.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. Section 3.02 is modified to read as follows:

"Section 3.02. Service Charge and Interest Charge

(a) Service Charge. The Recipient shall pay the Association a service charge on the Withdrawn Credit Balance at the rate specified in the Financing
Agreement. The Service Charge shall accrue from the respective dates on which amounts of the Credit are withdrawn and shall be payable semi-annually in arrears on each Payment Date. Service Charges shall be computed on the basis of a 360-day year of twelve 30-day months.

(b) Interest Charge. The Recipient shall pay the Association interest on the Withdrawn Credit Balance at the rate specified in the Financing Agreement. Interest shall accrue from the respective dates on which amounts of the Credit are withdrawn and shall be payable semi-annually in arrears on each Payment Date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months."

2. Paragraph 28 of the Appendix ("Financing Payment") is modified by inserting the words "the Interest Charge" between the words "the Service Charge" and "the Commitment Charge".

3. The Appendix is modified by inserting a new paragraph 32 with the following definition of "Interest Charge", and renumbering the subsequent paragraphs accordingly:

"32. "Interest Charge" means the interest charge specified in the Financing Agreement for the purpose of Section 3.02 (b)."

4. Renumbered paragraph 37 (originally paragraph 36) of the Appendix ("Payment Date") is modified by inserting the words "Interest Charges" between the words "Service Charges" and "Commitment Charges".

5. Renumbered paragraph 50 (originally paragraph 49) of the Appendix ("Service Charge") is modified by replacing the reference to Section 3.02 with Section 3.02 (a).